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ABSTRACT

World food production fell nearly 2.5 percent in 1979, the first decline in 7 years. Although output increased in South and Central America, it declined in most African countries and South Asia. Greatest food needs exist in the sub-Saharan African regions and South Asia, but certain Central American, Caribbean, and South American countries will also require assistance. The report presents data on food production and 1980 outlook for 79 low- and middle-income countries, reviews the 1979 food situation, and describes international and U.S. food aid policies.

Keywords: Developing countries, Food, Policies, International trade, Global.

PREFACE

This study was prepared in the International Economics Division of the Economics, Statistics, and Cooperatives Service to meet the annual reporting requirements of Public Law 480 as amended by the 1977 International Development and Food Assistance Act. The Agricultural Development Branch directed the preparation. Commodity specialists in the World Analysis Branch provided much of the commodity data upon which the report is based. Country analysts in the regional branches developed the country situation statements. In the Agricultural Development Branch, Carol Goodloe prepared most of the country economic and financial situation statements. Also, she and Mervin Yetley coordinated the drafting and integration of the country situation statements. Lloyd Harbert developed the Global Overview section and worked with Richard Kennedy in the Trade Policy Branch to develop the section on World Food Security. Dave Culver and Mervin Yetley provided overall coordination of the preparation of the report.

All tons are metric unless indicated otherwise.

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SUMMARY

Total food production by developing countries rose steadily throughout the seventies but varied greatly by region. Food production has increased substantially in both Latin America and East Asia, but has barely managed to keep pace with population growth in South Asia and has clearly fallen behind in Africa.

Aggregate world food production fell in 1979 for the first time in 7 years. Much of the decline came from shortfalls in the Soviet Union, South Asia, and many African countries. Declines in South Asia and Africa must be viewed against the reality of low or declining trends in per capita food production in both regions throughout the last decade.

The current food situation and near-term prospects in developing countries were assessed in terms of a country's ability: (1) to satisfy the demand for food through domestic production, (2) to finance food imports when domestic production is inadequate, and (3) to ensure equitable distribution of available food to meet both effective demand and nutritional needs. The food situation in developing countries was addressed by examining recent food production performance and trends in total grain production (1970-79) and per capita grain availability (1972/74-78/79) in 79 countries (8 regions).

The most serious production problems are centered in sub-Saharan Africa and South Asia, although individual countries in other regions also face similar situations. Because agriculture is the major economic activity in most developing countries, the low or declining trends in agricultural production have also been reflected in both low economic growth rates and a worsening external financial situation.

The three regions in sub-Saharan Africa face the most serious production problems. While these regions contain less than 8 percent of the world's population, poor weather and natural resource constraints, combined with political instability and administrative inefficiencies, have produced chronic food shortages in many of these countries. Per capita food production in 1979 in Africa (excluding South Africa) was lower than during the early sixties. In addition, most African countries depend on production and export of traditional agricultural commodities to stimulate their domestic economies and to earn most of their foreign exchange. Stagnating production of these commodities and fluctuating export prices have resulted in a shortage of foreign exchange, which has limited the ability of many of these countries to import food.

Per capita food production in the 11 countries in the Sudano-Sahelian region declined steadily throughout the seventies and could not meet domestic needs. Per capita grain availability declined again in 1979 in every one of these countries. Each has become a net grain importer, although the proportion of grain imports to total grain consumption remains small. Thus, the region depends on its own production. Food imports have been constrained by poor distribution and transportation facilities as well as a lack of foreign exchange. Growing political instability in the region has created a large refugee population, placing an additional burden on the already strained food supplies.

One encouraging exception is Niger; it has reported to the World Food Program that it will be self-sufficient in food during 1980 and will not require food assistance.

Food production in East Africa has suffered recently from both poor weather and war among neighboring countries. The fighting in Zimbabwe has disrupted its agricultural economy as well as those of Mozambique and Zambia. War broke out between Tanzania and Uganda in 1979, and Kenya was also affected. These disturbances have particularly influenced food marketing and distribution channels so that food shortages have been frequent. Grain production in over half the countries in the region stagnated or declined during 1970-79; in no country did per capita production increase.

Only Malawi has exhibited both relative political stability and sustained growth in food output. Per capita availabilities of grain have been low or declining in most countries. Kenya, Mozambique, and Zambia have maintained per capita availabilities through increased food imports, but they are experiencing balance-of-payments problems.

Although West and Central Africa have not been subjected to the poor weather and civil strife that have disrupted East Africa and the Sudano-Sahel, progress in food and agricultural production has not been encouraging. Annual average growth in grain production during 1970-79 was low or dropping in each country and production varied widely. Per capita food production has declined in every country except the Ivory Coast. Only Cameroon appears nearly self-sufficient in food production, although some food imports are necessary for the growing urban population. Thanks to increased grain imports, per capita grain availability has been maintained in Gambia, Guinea, and Nigeria despite declining production. Only Nigeria with its large oil revenues has been in a sound position to finance substantial food imports without straining its foreign exchange reserves. Overall, the economic positions of these African countries are generally poor. Only Nigeria, Ivory Coast, and Cameroon have showed steady economic growth.

In contrast, per capita food production in South Asia increased slightly the last two decades, but with considerable variation. The dense population in this region means that a slight decrease in food production has serious nutritional consequences for millions. Aggregate food production in South Asia tends to reflect India's production, which accounts for about three-fourths of the total. The 1970-79 trend growth rate in grain production was only slightly above the average population growth rate for five of the six countries. The sixth, Nepal, had declining per capita production. Sri Lanka experienced the most significant increase in per capita grain consumption and one of the lowest variations from trend in per capita consumption since 1972/74. This was primarily due to its reliance on food imports, but the cost strained the economic and financial resources of the country.

The food situation in Southeast Asia obviously reflects the continuing internal political and military turmoil. Food production in Cambodia, Laos, and Vietnam was disrupted throughout the seventies. In contrast, the countries of East Asia--Burma, Thailand, Indonesia, the Philippines, and South Korea--gained in per capita grain production and availabilities. The economic and financial situation in this area has also been more favorable than in either South Asia or the African regions, with economic growth rates highest among the developing countries. Foreign exchange holdings have been sufficient to allow increased food imports in Indonesia, the Philippines, and South Korea.

The Central American and Caribbean regions face increasing food and financial instability. Haiti, Honduras, and Nicaragua had low or declining average annual growth rates in grain production during the seventies. High population growth rates in El Salvador, Mexico, and the Dominican Republic diminished their moderate gains in food production. Wide variations from trend were also prevalent in El Salvador, Haiti, Jamaica, and Nicaragua. The region has become increasingly reliant on food imports, importing an average of about 20 percent of the grain consumed. But many countries are facing financial constraints to increased food imports. The region's dependence on traditional

export crops and minerals, the poor production performance, and the low international export prices have resulted in balance-of-payments problems, particularly in Jamaica, Haiti, and the Dominican Republic. Current political instability may well disrupt both future food production and the overall economic performance.

The food situation in North Africa and the Middle East varies considerably. Food production has depended largely on the political situation. Lebanon, Israel, Jordan, and Morocco had negative or stagnant trends in grain production during 1970-79. Egypt and Tunisia had a trend growth rate of only 1.2 and 1.9 percent, respectively, but per capita grain availabilities increased over 5 percent annually because of large commercial food imports and food aid.

Throughout the seventies, South America experienced substantial increases in total and per capita food production. But this aggregate figure masks serious production problems in several countries. Bolivia, Ecuador, and Peru showed low or stagnant average annual growth in grain production for 1970-79. Per capita availabilities declined in Peru and increased only 1 percent in Bolivia. Over 20 percent of total grain consumption in seven countries is now imported, although Argentina and Brazil are large exporters of grain and oilseeds, respectively. For Bolivia, Colombia, Ecuador, and Peru, per capita grain consumption is relatively low which implies nutritional deficiencies for some segments of the population.

Global Food Assessment, 1980

INTRODUCTION

Public Law 480, Section 408b, which mandates this report, stipulates that a global assessment of food production and needs be submitted annually to the Congress. The law specifically states the need for a reference document for use in program planning under Title I of P.L. 480. The main purpose of the report is to assess current food needs of the lowest income countries.

The first of five sections in the report outlines our purpose relative to the law. The second section provides a global overview of recent food production performance with specific reference to food grains and oilseeds. Recent trends in production of the major food aid donor and recipient countries are examined. In the third section, individual countries are discussed with respect to: agricultural production, consumption, and trade; economic and financial conditions; and the outlook for 1980. These individual country statements are combined within eight regional summaries to provide a picture of the regional grain supply/demand balance, the importance of intraregional and external trade, and the relative importance of and need for food aid. The fourth section summarizes the major food aid donors' production performance in relation to their ability to meet existing food aid commitments and the possibility of expanding these commitments in the near future. The fifth section outlines continuing food aid concerns and relates them to recent international and national food policy developments.

Provisions of Public Law 480 governing allocation of U.S. food aid guided the selection of countries for which separate statements were prepared. These provisions stipulated that at least 75 percent of the Title I food aid be allocated to countries that: (1) meet the International Development Association's poverty criterion, currently defined as per capita gross national product in 1978 of less than \$625, and (2) cannot meet their immediate food needs from domestic production or commercial imports. Countries with gross national product in 1978 of less than \$625 are referred to in this report as lowest income countries or LIC's. Other criteria specifically considered were the total population of the country and the proportion of the population estimated to be consuming less than minimum caloric requirements according to the United Nations Food and Agricultural Organization (FAO) Fourth World Food Survey. ^{1/} Several countries with small populations are not discussed individually. Exclusion of a country report does not imply no need for food aid.

Because dietary differences among regions and among countries within a region are substantial, total grain production was chosen as the best indicator for regional comparisons. Within this context, one potential question is the naming convention used in the detailed country statements in combination with regional summary data. The regional summary tables use total grain production, consumption, and trade. Total food grains

^{1/} FAO, The Fourth World Food Survey, Statistical Series 11, 1977.

and agricultural production are sometimes used in the text but are not necessarily equivalent to total grain production.

A second potential question relates to the time periods in the tables summarizing total grain production, consumption, and trade in each region. These regional tables refer to a marketing year (July-June) and not a calendar year. Consequently, the 1979/80 data shown in the table are forecasted or estimated data.

GLOBAL OVERVIEW

World food production dropped over 2.5 percent in 1979 because of substantially lower yields in virtually all the major food crops. The decrease pulled production almost 4 percent below the longer term trend. Given world population growth, estimated at 1.9 percent, this production shortfall reduced global per capita food availabilities by over 4 percent. While much of the 1979 decrease was concentrated in the developed countries, several regions in the developing countries--primarily sub-Saharan Africa and South Asia--also suffered serious declines.

In this report, aggregate food production indices are discussed, detailed production data for grains and oilseeds are presented, and detail by country and region are provided.

Aggregate Food Production Performance

Aggregate world food output fell in 1979 for the first time in 7 years (table 1). Total food production decreased 2-1/2 percent from 1978's record high largely because of sharp declines in grain crops in the USSR and India. Per capita world food output in 1979 dropped over 4 percent, reversing most of the gains made after the good harvests in 1976-78. Nevertheless, global per capita output was still more than a tenth above the level of two decades ago.

Food output in the developed countries, including Eastern Europe and the USSR, registered the sharpest year-to-year drop and deviated most from trend. Total and per capita output had been rising at a rapid, if somewhat erratic, rate for the developed countries as a whole. Gains in the United States, Canada, and Western and Eastern Europe were steady and, except for Eastern Europe, were close to trend in 1979. Disastrous 1979 crops in the Soviet Union and poor crops in Eastern Europe and Oceania offset the above-trend harvests in the other developed countries. However, reduced 1979 per capita production levels, reported for both the developed countries as a whole and the Soviet Union individually, were still more than 25 percent above the levels of the early sixties.

The developing countries reported a slight drop in aggregate food production in 1979. Given the record crop harvested in 1978, however, the 1979 decrease still left production about on trend for the last 25 years. The drop in 1979 in the developing countries followed 3, and often 4, years of good harvests. Consequently, even with 1979's slight drop in overall output and a 2.5-percent drop in per capita output, per capita output in the developing countries as a whole was about a tenth above the levels reported during the worst of the 1972-75 shortages.

Output in 1979 and the longer term trends varied widely by region and for countries within regions. Output in Latin America increased at a relatively rapid and stable rate. Even with population growth rates of 3 percent or more, per capita food production has increased almost 10 percent since the early seventies. The developing countries of Africa, in contrast, reported slow and unsteady growth in total production and declining per capita production. Sudanese-Saharan Africa per capita levels in 1979

Table 1--World and regional indices of food production
(1961-65 = 100)

Region and country	1961-65	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
Total production:											
Developed countries--											
United States	100	115	126	126	128	122	134	137	143	144	152
Canada	100	109	130	122	123	112	128	142	144	148	138
Western Europe	100	115	121	121	124	129	125	123	129	136	134
Eastern Europe	100	116	123	132	135	141	138	145	145	150	148
USSR	100	136	135	128	155	144	128	153	148	163	142
Japan	100	110	103	110	110	111	115	109	118	117	116
Oceania	100	121	128	123	127	127	135	138	133	152	142
Developing countries--											
Latin America	100	129	131	130	139	145	152	158	163	168	173
Africa 1/	100	117	120	122	119	125	120	132	129	131	134
West Asia	100	122	127	137	127	141	154	168	166	171	168
South Asia	100	128	126	119	130	124	140	137	150	157	146
East Asia 2/	100	129	132	130	141	147	155	164	167	170	175
World	100	123	127	125	133	132	135	141	144	151	147
Per capita production:											
Developed countries--											
United States	100	106	116	114	115	109	119	120	124	125	130
Canada	100	97	114	106	106	95	106	117	117	110	108
Western Europe	100	109	114	113	116	119	115	113	118	124	122
Eastern Europe	100	111	117	124	126	131	127	133	128	135	133
USSR	100	125	124	116	139	129	113	134	128	140	121
Japan	100	102	94	100	98	97	100	94	101	98	96
Oceania	100	107	111	105	107	105	110	111	106	119	110
Developing countries--											
Latin America	100	107	106	102	106	108	110	111	112	112	113
Africa 1/	100	98	98	97	93	95	96	95	92	91	88
West Asia	100	102	102	107	96	104	110	117	112	113	108
South Asia	100	110	106	97	104	97	107	103	110	113	103
East Asia 2/	100	108	108	104	110	112	116	120	119	119	120
World	100	107	109	106	111	108	108	111	112	115	110

1/ Excluding South Africa.

2/ Excluding Japan.

were 10 percent below the levels of the early seventies. Output in West Asia, although down in 1979, showed a definite upward trend and per capita production in 1979 rose more than 5 percent above the level of the early seventies. South Asia, while showing significant gains in total food production, had only small increases in per capita levels since the sixties. East Asia enjoyed the largest increases of any region in total food output over the last several years. As a result, per capita production levels are currently 10-15 percent above levels of the early seventies.

Food production indices for the lowest income countries (LIC's) suggest output in 1979 was down from record 1975 levels, but above the trend of the last two and a half decades. Despite some declines in individual countries in 1979, gains in per capita food production by the Asian LIC's during the past decade were large and significant. Latin American LIC gains were substantial although somewhat smaller. In contrast, per capita food output for most African LIC's stagnated or decreased.

Grain Situation and Outlook

World grain production fell approximately 3.5 percent in 1979/80 as unfavorable weather in several key producing areas reduced yields from record 1978 levels and offset increases in crop area expected earlier this year (table 2). Decreases in production were largest in wheat, down over 6 percent from 1978 levels; coarse grain and rice production were reported off 2.5 and 3.0 percent, respectively. The single largest reduction in production was reported in the Soviet Union where wheat and coarse grain crops were down 55 million tons short of 1978 levels and more than 40 million tons below trend. India also reported a sharp reduction in total production; much of it reflected a 16-million-ton (paddy) reduction in rice output.

Because of record grain stocks carried over from 1978, grain supplies in 1979 were less than 1 percent below the all-time high reported in 1978 (table 3). Moreover, world grain utilization is expected to increase slightly in 1979/80 as expanded wheat consumption offsets anticipated reductions in rice and coarse grains. Small increases in feed use in the developed countries and the USSR account for much of the growth in world grain consumption.

However, 1979/80 gains will have to be at the expense of substantial stock drawdowns, particularly in the Soviet Union and India. Stocks are likely to decline over a tenth from carryin levels. At about 200 million tons, the stocks available to carry over in 1980/81 will be equivalent to around 14 percent of consumption.

World grain trade is expected to expand almost a tenth in 1979/80 as importing regions make up production shortfalls. The U.S. share of grain exports may increase from 53 to 57 percent because of plentiful U.S. supplies. As production prospects around the world deteriorated in 1979, grain prices rose on the world market. Wheat prices (U.S. f.o.b.) are currently \$165-170 a ton, a tenth above nominal prices in 1973-75 but well below real price levels of that period. Corn prices have increased less rapidly. Prices of \$110-115 a ton are well below real levels of the mid-seventies. Current rice prices are about \$440 a ton, below the real prices reported during the mid-seventies (table 4).

Early indications point to increased world grain production in 1980/81. Planted area is expected to expand, and output could exceed the 1978/79 record. Consumption may increase about 2 percent, slightly below the 2.5 percent trend rate of the past two decades. Thus, stock levels will probably be maintained. However, forecasts of production and usage at this time are highly speculative because severe weather conditions, policy decisions, and economic conditions in the months ahead could all alter the supply-demand situation significantly.

Table 2--World grain production, consumption, and net exports 1/

Region and country	1969/70-1973/74			1977/78			1978/79			Forecast 1979/80		
	Production	Consumption	Net exports	Production	Consumption	Net exports	Production	Consumption	Net exports	Production	Consumption	Net exports
	Million metric tons											
Developed countries:												
United States	414.0	377.6	30.0	480.6	387.2	77.8	515.2	414.3	81.9	529.6	420.5	107.2
Canada	208.7	168.9	38.8	262.4	161.0	85.7	271.3	178.4	91.5	297.2	180.6	108.6
EC-9	34.4	22.1	14.4	42.4	21.6	19.0	41.4	22.6	16.6	36.3	23.4	18.0
Other Western Europe	94.2	111.5	-16.1	103.9	115.3	-10.6	116.9	119.3	6.7	114.3	120.4	6.7
South Africa	28.9	33.7	-4.9	32.1	42.3	-10.0	36.9	43.7	-9.1	33.2	44.9	-10.4
Japan	10.1	7.1	1.4	12.9	8.8	2.9	10.1	9.2	2.5	12.7	8.9	2.5
Oceania	12.7	27.9	-14.4	12.4	32.7	-22.6	12.2	34.4	-23.0	11.8	35.5	-23.2
	15.0	6.3	10.8	14.8	5.6	13.4	26.4	6.7	9.6	24.1	6.7	18.4
Centrally planned countries:												
Eastern Europe	408.7	423.9	-6.2	482.9	531.2	-34.1	547.6	564.2	-34.5	496.7	568.9	-52.6
USSR	75.1	83.2	-7.4	93.5	103.8	-10.1	96.4	109.3	-11.8	91.0	107.2	-15.6
China	167.4	171.8	4.0	186.2	216.7	-16.6	227.5	221.3	-12.7	172.2	218.7	-27.5
	166.2	168.9	-2.7	203.2	210.7	-7.4	223.7	233.6	-9.9	233.5	243.0	-9.5
Developing countries:												
Middle America	315.5	335.8	-20.7	372.8	415.5	-38.0	392.8	434.9	-41.1	376.7	436.0	-52.6
Venezuela	16.1	17.3	-9.9	19.0	24.4	-4.6	20.4	25.3	-5.4	18.7	26.5	-7.1
Brazil	8	1.8	-1.0	1.5	2.8	-1.6	1.5	3.4	-1.8	1.7	3.6	-1.9
Argentina	20.4	22.0	-7.7	21.6	28.4	-2.2	24.7	30.4	-6.0	27.9	32.2	-6.0
Other South America	19.4	11.1	8.3	24.2	11.2	13.7	25.6	12.0	14.9	20.9	11.6	11.9
North Africa/Middle East	6.8	8.9	-2.1	7.4	10.8	-3.0	7.8	11.2	-3.3	8.1	11.5	-3.6
Central Africa	40.4	49.4	-9.1	48.2	67.9	-19.3	53.2	73.3	-19.3	50.3	73.4	-22.7
East Africa	21.4	23.2	-1.8	20.6	24.5	-4.4	21.7	25.5	-3.6	21.4	25.4	-4.2
South Asia	10.9	11.2	-4.4	12.5	13.1	-6	11.8	12.6	-4	11.4	12.2	-8
Southeast Asia	119.1	123.5	-5.1	147.0	148.6	-2.6	150.5	153.1	-2.9	141.2	149.5	-2.7
East Asia	25.4	23.7	1.7	27.8	26.1	1.7	30.1	26.1	3.8	28.8	26.1	3.1
	30.3	37.8	-8.2	36.8	49.7	-13.3	39.3	54.1	-51.1	40.3	55.9	-16.6
Other	4.3	6.0	-1.7	6.2	8.0	-1.8	6.2	8.0	-1.8	6.3	8.1	-1.8
Total	1,142.5	1,143.3	--	1,342.5	1,333.9	--	1,455.6	1,421.4	--	1,409.3	1,433.5	--

-- = Not applicable.

1/ Year ending June 30. Total grain refers to wheat, coarse grains, and milled rice.

Source: Economics, Statistics, and Cooperatives Service.

Table 3--All grains: Ending stocks as of June 30

Year	Total	United States	Other developed	Centrally planned	Developing countries
			Million metric tons		
Average, 1969-71	196.9	67.4	65.1	27.9	31.3
1975	139.6	27.5	50.0	24.6	30.4
1976	137.8	36.6	46.6	9.8	45.7
1977	193.7	61.6	52.6	22.6	55.1
1978	191.3	74.2	55.2	8.6	55.0
1979	226.2	72.3	67.7	26.8	54.5
1980 <u>1/</u>	199.7	84.4	60.6	7.1	47.2

1/ Forecast.

Donor's Perspective

Aggregate grain supplies in the major food aid donor countries as a group--the United States, Canada, Australia, and Western Europe--hit a record 632 million tons in 1979/80, primarily due to production increases in the United States. The large carryin stocks held by the donor countries and the record U.S. grain crop pushed supplies above the high of 608 million tons reported in 1978/79. The U.S. crop was up a tenth in 1979 and was the fifth consecutive record harvest. However, production in the other major donor countries was down 6 percent.

Domestic grain consumption is expected to increase slightly in the donor countries in 1979/80. However, commercial exports of food and feed grains are expected to rise a tenth and to strain transportation facilities. Hence, on balance, while the supplies of grain available in the donor countries are large, competing demand for grain and grain handling facilities will be quite strong.

Recipient's Perspective

Many of the lowest income countries suffered crop shortfalls in 1979/80. Stocks and imports will make up a portion of the shortfall, but per capita consumption is expected to decline in several of these regions. Production in many middle-income countries also declined from high 1978/79 levels. However, most of these countries have already moved to sustain or increase consumption levels through increased imports.

In South Asia, aggregate per capita grain production declined 9 percent. The production shortfall of more than 10 percent in India accounted for much of this decline, offsetting gains elsewhere in the region. However, the decline in Indian consumption will be less than half the harvest shortfall because of the sharp drawdown in stocks already in progress. Output increased in Pakistan and Bangladesh in 1979/80 because of favorable weather. Per capita consumption is up in both countries but may not reach record 1977/78 levels. Per capita production in Southeast Asia was also below a year earlier.

Table 4--Export prices for selected cereals

Year ending June 30	Wheat <u>1/</u>	Corn <u>2/</u>	Sorghum <u>3/</u>	Rice <u>4/</u>
	<u>Dollars per metric ton</u>			
1972	61	52	52	133
1973	92	71	69	174
1974	177	116	107	584
1975	162	133	125	439
1976	151	199	114	294
1977	112	110	101	257
1978	116	100	92	337
1979	141	106	96	331
1979:				
January	140	109	100	299
July	168	133	125	327
1980:				
January	179	112	119	395
February	176	117	122	399

1/ U.S. #1 HWW, ordinary protein, f.o.b. Gulf Ports-Buyers price.

2/ U.S. #2 corn export price, f.o.b. Gulf Ports basis, prompt to 30 day delivery.

3/ U.S. #2 yellow grain sorghum for vessel, Gulf Ports.

4/ Thailand long-grain white rice, 5-7 percent broken, f.o.b. Bangkok.

In many African countries, per capita and, in several cases, total grain production continued to fall below the peak levels reached in the late sixties and early seventies. In West and Central Africa, both production and imports were lower. Nigeria's per capita output declined slightly, and imports are estimated to be down more than a fifth from 1978/79 levels. Grain supplies are also lower in Senegal but are larger in Cameroon, Zaire, and Guinea. Per capita grain production declined 6 percent in East Africa to a level more than 20 percent below the peak years of 1970/71. If imports continue to decline, consumption is likely to fall more than the drop in production would imply. Sudano-Sahelian Africa suffered below-normal rainfall in 1979, and per capita output fell 8 percent below year-earlier levels and 27 percent below the peak 1970/71 levels. Imports this year will increase only slightly and consumption will decline sharply.

Per capita grain production declined slightly in the lowest income countries of North Africa and the Middle East. A drawdown of stocks and larger imports will allow consumption to increase about 2 percent, following an 8-percent rise last year. Per capita grain production also declined in most of the region's middle-income countries.

Despite sharply higher imports, per capita consumption in the more affluent countries of the region is likely to decline.

In the lowest income countries of Latin America, per capita grain production increased 4 percent to the highest level since 1971. Consumption may increase 6 percent. Among the middle-income countries of the region, the larger Brazilian crop was offset by reductions in Argentina and Mexico.

Vegetable Oil Situation and Outlook

World production of fats and edible oils increased over 4 percent in 1979 to a record of nearly 55 million tons. Oil supplies in the major producer-exporter countries were reported at a record 57 million tons. Contributing to the large oil supply were bumper harvests of virtually all the major oilseeds. U.S. soybean production rose 6 percent in 1978, creating a 6-percent increase in soy oil production. India's 1978/79 peanut crop is estimated at 6.4 million tons (shell basis) and peanut oil production increased almost 5 percent to 1.5 million tons. Malaysia's palm oil production expanded in 1979 to 2.2 million tons, up 21 percent, largely as a result of increased area. Soybean production in Brazil increased 11 percent to 10.2 million tons, despite dry weather during the year; soybean oil production was up roughly 8 percent to 1.7 million tons.

Prices for most vegetable oils in 1979 averaged higher than in 1978 as demand continued to expand at an unprecedented rate in large areas of the developed and developing countries. Soybean oil prices averaged 20 percent higher. Only peanut oil showed any significant price weakening. Consumption expanded slightly less than production, increasing stocks slightly, but not sufficiently to rebuild to the pre-1976 levels nor to maintain the 1978 stock/consumption ratio. However, stock levels are high and may depress prices.

Donor's Perspective

The United States continues to be the world's major donor of vegetable oil. U.S. vegetable oil supplies were up sharply in 1979. However, U.S. domestic demand was at record levels and commercial exports of vegetable oils increased to 1.52 million tons in 1979, up 3 percent from the 1.47 million tons exported in 1978. Exports under P.L. 480 declined almost 50 percent to 147,000 tons or less than 10 percent of the export total, because recipients chose grain over oil in the program.

Vegetable oil supplies in the other major food aid donor countries were also up from 1978 levels but, given their rising demand, not enough to allow any significant increase in supplies available for donation as food aid.

Recipient's Perspective

World vegetable oil trade and LIC total consumption in 1979 continued to be shaped mainly by India's supply and demand situation. India's imports of vegetable oils totaled 1.1 million tons, 100,000 tons lower than the 1978 record due to an unusually good peanut harvest. In comparison, India imported only 106,000 tons of vegetable oils in 1976. However, rapid population growth has offset much of the increase in consumption which, for 1970, averaged 6.2 kilograms versus an estimated 6.8 kilograms for 1980.

Growth in consumption of vegetable oils in the other LIC's has not kept pace with India's. In several African LIC's, production of oilseeds and oilseed products is subsidized by the government to insure supplies for export to generate foreign exchange earnings. Therefore, even with higher production, domestic consumption is likely to stagnate or decline.

World production of fats and oils in 1979/80 is likely to total about 59 million tons, another record level, and more than 8 percent greater than in 1978/79. U.S. vegetable oil production is likely to be up 19 percent. Malaysian palm oil production is expected to be up by 10 percent. Smaller gains are expected in other African and Asian countries. World consumption will be up in 1980, and much of 1979's bumper oil production will accumulate as stocks in major exporting countries, such as the United States. Both world trade and oil prices are likely to drop below 1979 levels. Current soybean oil prices are off sharply from a year ago.

Consumption of edible oils in the LIC's will probably increase in 1980 because of income growth, increases in available oil supplies, and decreases in oil prices on the world market. Increases in oil imports are expected in India, Egypt, several Latin American countries, and in selected Asian and African LIC's. However, per capita vegetable oil consumption levels in the LIC's will remain less than half the levels nutritionists recommend.

Economic and Financial Situation

Direct and indirect linkages exist between the domestic food situations and the external economic and financial situations of the developing countries. For most low-income countries (LIC's) and many middle-income developing countries, the agricultural sector provides the major economic activity for a large proportion of the population. Declines in agricultural production not only reduce food supplies but also result in fewer agricultural products for domestic processing, which leads to lower economic growth. The external trade sector often contributes a large share to GNP. Many countries, particularly LIC's, are highly dependent on the export of raw and agricultural commodities to stimulate economic growth and development and to earn foreign exchange. Many of the commodities exported by developing countries are subject to price fluctuations, resulting in shifting export revenues and foreign exchange. Low levels of foreign exchange may force countries to reduce either merchandise or food imports.

The overall economic and financial situation for the low- and middle-income countries was generally less favorable in 1979 than in several years (table 5). Average real economic growth in 1979 for the non-OPEC (Organization of Petroleum Exporting Countries) developing countries (most countries in this report) is estimated at about 5 percent, one of the lowest rates in the seventies. One primary reason for reduced economic growth, especially in the second half of the year, was the large price rises for crude oil.

The price increases affected the economies of the developing countries by increasing the cost of imports of both petroleum and related manufactured goods, which strained their balance of payments and international reserves. Aid-dependent countries have also been caught in a squeeze between slowly rising levels of aid and rapidly rising import costs. The oil price increases also affected the developing countries indirectly by contributing to inflation and slowing growth in the developed countries, thus reducing the demand for exports of the developing countries. Rising inflation rates and tight monetary policies in major developed countries have kept commercial interest rates high. This makes it expensive for developing countries to borrow to finance trade deficits.

Inflation, a continuing problem in many developing countries, was running at 40 percent for the non-OPEC developing countries in 1979, the highest rate since 1976. Inflation rates for Latin American as a region--at 54 percent--are 2 or 3 times higher than for other regions. Although the middle income developing countries generally have higher inflation rates than LIC's, inflation is severe and growing in many LIC's. Some LIC's have imposed austerity measures to restrain inflation by controlling internal prices, tightening domestic credit, and reducing government expenditures. But inflation is

Table 5--Regional summary of economic and financial indicators, low- and middle-income countries, average 1976-78 ^{1/}

Region	Real GNP growth rate	Trade balance/ exports	Import coverage	Debt/GNP	Debt-service ratio	Commodity concentration ratio
	Percent	Percent	Weeks	Percent	Percent	Percent
South Asia	4.6	-64	27	26	14	54
East Asia	6.8	2/-8	21	2/17	10	59
Sudano-Sahelian Africa	2.6	-68	20	38	12	79
East Africa	4.1	-110	17	22	6	72
West and Central Africa	3.0	-25	9	33	12	79
North Africa, Middle East, Europe	4.1	-243	26	20	3/16	4/57
Central America and Caribbean	4.3	-22	20	19	16	66
South America	4.3	-7	27	25	22	57

- ^{1/} See Glossary for explanation of terms.
^{2/} Excluding Western Samoa.
^{3/} Excluding Arab Republic Yemen.
^{4/} Excluding Portugal.

likely to continue to rise in 1980 because of higher oil prices, higher wage demands, and currency devaluations intended to improve trade balances.

The economic and financial situation varied considerably by region in 1979. Regional growth rates ranged from 2.5 percent in East Africa to 6.5 percent in East Asia. The three sub-Saharan African regions generally had the worst economic performance of the eight regions. The South Asian and South American regions had aggregate economic growth rates of almost 5 percent, while Central America and East Asia had growth rates of over 6 percent. The North Africa and Middle East region grew about 5 percent, ranging from 2 percent in Syria to 10 percent in Jordan.

Information on trade and debt levels for 1979 is incomplete for most countries. Each region, in the aggregate, had an estimated net trade deficit. Only a few oil-exporting countries (Nigeria, Indonesia, and Iran) are expected to show sizable trade surpluses.

Levels and sources (public or private) of external debt vary greatly between low- and middle-income countries within regions. The LIC's generally rely on public and publicly guaranteed financing, partly because of their limited access to private lenders. They also often prefer to seek government public financing because interest rates are generally lower and lengths of maturity longer for public sector borrowings than for those from the private sector. Much less stringent repayment terms result in a smaller debt-service burden, as reflected in a lower debt-service ratio (ratio of debt-service payments to exports).

Some middle-income developing countries--Brazil, Mexico, South Korea, Argentina, Israel, and Turkey--have borrowed extensively in the private international financial markets. Such middle-income developing countries accounted for about 79 percent of total developing country debt at the end of 1978. Similarly, 10 middle-income countries accounted for two-thirds of all debt to private sources.

REGIONAL SUMMARIES AND COUNTRY STATEMENTS

The following section contains 79 country statements divided into 8 regions. The purpose of the country statement is to assess briefly the current food and financial situation to determine:

1. The adequacy of food production to satisfy domestic consumption and nutritional requirements;
2. The country's ability to finance food imports.

Each country statement contains a brief summary, more detailed information on the agricultural and economic situation, and the outlook for 1980. Each regional summary includes three tables. (See Glossary for a definition of terms and statistics used in the regional summary tables). The first table presents data on both the current situation and trends in total grain production, consumption, and trade. This table indicates whether overall grain availability has been increasing or decreasing. It does not indicate the relative importance of grain in providing calories to the diet, although this information appears, if available, in the country statement or regional summary.

Although food imports generally account for a small share of the total value of merchandise imports, for many developing countries the balance of trade, the current debt burden, and the availability of foreign exchange can affect the country's ability to enter commercial markets to purchase food.

The economic and financial indicators in the second table provide a general impression of a country's ability to finance food imports. Much of the information for 1979 consists only of estimates or projections and is incomplete for many countries. A 3-year average for 1976-78 is given for comparative purposes and the data are presented in appendix tables 2 and 3.

The third table presents information on food aid and its distribution for FY 79. This table compares total food aid shipments reported by the Food and Agricultural Organization (FAO) and food aid provided by the United States under P.L. 480 (Title I and Title II). Beneficiaries of Title II by type of program are also listed. Discrepancies in the table (where total food aid is less than P.L. 480 shipments) are due to the lack of a complete, consistent method of reporting food aid commitments, shipments, and receipts.

South Asia Regional Summary

The South Asian food situation is forecast to improve slightly during 1979-80 (tables 6-8). Net imports are expected to increase only marginally for the region as a whole, except for Pakistan's shift from a net importer of grain in 1978/79 to a net exporter in 1979/80, and Bangladesh's increasing food import needs. All South Asian countries should experience an increase in per capita grain consumption except India and Afghanistan. This increase will in part be due to production gains in Nepal and Pakistan, and to stock reductions in Bangladesh and Sri Lanka. Sri Lanka has experienced the most significant increase in per capita grain consumption since 1972/74 and has had one of the lowest variations (from trend) in per capita consumption between 1972/74 and 1979. This is a result of its heavy reliance on food imports.

Given the predominance of the agricultural sector in each country's economy, economic growth tends to reflect changes in agricultural output. Consequently, real GDP growth for the countries as a whole exceeded 4 percent in 1979, with Nepal the notable exception. While all countries in the region have run a deficit on their merchandise trade accounts since 1976-78, inflows of capital and foreign aid have largely redressed the imbalance. Foreign exchange reserves for all the countries except Bangladesh and Pakistan were sufficient to allow between 20 and 58 weeks of import coverage in 1979. However, a decline in this ratio was noted for Bangladesh, India, Nepal, and Pakistan between 1976-78 and 1979. The debt service ratios for the region as a whole are manageable, but continued inflows of capital and foreign aid will be required.

The South Asian countries could be classified as self-sufficient in that effective market demand is in balance with domestic production. Except for Sri Lanka and Bangladesh, which import 45 and 15 percent of domestic grain needs, respectively, the region does not rely heavily on foreign sources for domestic supplies. Moreover, most grain imports are from intraregional countries. The United States supplies no more than 35 percent of any one country's grain needs.

However, in terms of nutritional need, expressed as average per capita caloric intake, between 26 percent (India) and 60 percent (Bangladesh) of the population do not receive daily intakes of calories equal to their physiological requirement. Hence, the region as a whole could effectively use more cereal grain imports for human consumption to improve average calorie intakes, especially for the landless and urban poor. But concern remains that the impact on producer prices might retard agricultural development. For example, if Bangladesh's calorie deficit were expressed in grain equivalents (3,500 calories/kg of grain), 2.7 million tons of grain over and above current levels would have to be imported and distributed effectively to meet the desired nutritional level. Imports of this magnitude could depress both producer prices and production.

Table 6--South Asia: Total grain production, net imports, and per capita availability 1/

Country	Production			Net imports			Per capita availability 5/		
	1979/80	1970-79	Variation	1978/79	1979/80	Share of	1978/79	1979/80	1972/74- 1978/79
	forecast	trend 2/	3/	forecast	forecast	consumption	United States	forecast	1978/79 trend
	1,000			1,000					
	- metric tons	-	- Percent	- metric tons	-	- Percent	-	- per capita	- Percent
Low income:									
Afghanistan	4,274	3,621	NA	200	200	5	25	185	NA
Bangladesh	12,750	13,051	2.9	1,169	2,500	8	6	178	3.0
India	116,157	105,603	2.5	-1,040	-1,140	--	23	166	3.2
Nepal	2,836	2,894	.5	-83	-80	--	--	204	1.3
Pakistan	13,053	14,760	3.6	1,100	-100	--	15	179	3.3
Sri Lanka	1,382	1,222	2.5	849	1,100	38	29	154	4.4
Total	150,452	141,151	--	4,441	2,840	--	--	--	--

NA = Not available.

-- = Not applicable.

1/ Excluding Bhutan.

2/ Trend growth rate in production based on calendar year.

3/ Variation is calculated as a coefficient of variation from trend.

4/ Share of total imports from the United States.

5/ Trend growth rate in per capita grain availability based on statistics in appendix table 1.

Sources: Foreign Agricultural Service; and Economics, Statistics, and Cooperatives Service.

Table 7--South Asia: Economic and financial indicators 1/

Country	Real GNP		Trade balance/ exports		Import coverage		Debt/GNP		Debt-service ratio		Commodity concentration ratio	
	1976-78 average	1979	1976-78 average	1979	1976-78 average	1979	1975-77 average	1978	1976-78 average	1979	1976-78 average	1979
	Percent		Percent		Weeks		Percent		Percent		Percent	
Low Income:												
Afghanistan	2.7	4.1	-35	2/-11	37	3/58	35	34	13	NA	65	65
Bangladesh	7.6	5.6	-132	-156	14	13	30	37	16	16	72	72
India	4.2	4.5	-9	-38	40	37	14	14	14	13	20	20
Nepal	2.7	2.0	-99	-116	44	36	4	5	3	3	52	52
Pakistan	5.2	6.0	-105	-86	11	3	44	43	26	37	44	44
Sri Lanka	5.2	5.6	-2	-37	17	20	29	37	13	9	71	71

NA = Not available.

1/ 1979 figures are estimates or projections. See glossary for explanation of indicators. Excluding Bhutan.

2/ Through third quarter only.

3/ 1978 imports.

Sources: World Bank; International Monetary Fund; U.S. Central Intelligence Agency.

The only recipients of Title I food aid within the region during FY 1979 were Bangladesh, Pakistan, and Sri Lanka. Approximately 97 percent of this aid was wheat and wheat flour and the remainder, soybean oil. Shipments of Title II (cereals and oil-seeds) totaled 1.26 million metric tons. Of the total Title II food aid given to the region, the majority supported maternal and child feeding, and Food for Work programs in India and Bangladesh.

Afghanistan

Summary: Production levels for 1979 were down because of dry weather. Civil strife in Afghanistan has aggravated a tight food supply situation.

Agricultural Production, Consumption, and Trade: Dry weather conditions in 1978/79 decreased yields from the wheat crop. Total 1978/79 grain production declined to 4.27 million tons from 4.37 million tons in 1977/78. Grain imports totaled only 200,000 tons before the onset of civil strife. The apparent consumption level is difficult to determine because of the outflow of refugees, and uncertain production and import levels. Consumption is forecast at 185 kg/capita/yr in 1979/80, compared with 221 kg/capita/yr in 1978/79.

Economic and Financial Situation: Exports through the third quarter of 1979 increased 12 percent to \$247 million. The main exports are cotton, wool products, natural gas, dry fruits and nuts, and Karakal skins.

International reserves increased to \$441 million, a 13-percent increase over 1978. Import coverage should increase to 58 weeks from the already high 1978 level. External public debt has averaged about 35 percent of GNP and the debt service ratio has been low but increasing. Other economic information is not available due to the current political situation.

Outlook: With good weather and normal political conditions, Afghanistan is self-sufficient in food. Since the agricultural areas are not under firm government control, it is difficult to predict 1980 production levels.

Bangladesh

Summary: Food production was down due to drought conditions. Bangladesh avoided a major food crisis in 1979 by increasing food imports.

Agricultural Production, Consumption, and Trade: Drought conditions in early 1979 decreased the winter and spring rice crops. Total 1978/79 grain production declined to 12.8 million tons from 13.3 million tons in 1977/78. Total grain imports decreased from 1.64 million tons in 1977/78 to 1.18 million tons in 1978/79. Other food imports were approximately steady. Beginning 1980 stocks were down to 753,000 tons from 910,000 in beginning 1979. Apparent consumption of grain decreased to 170.0 kg/capita/yr in 1978/79, but is forecast to increase slightly in 1979/80.

Economic and Financial Situation: Total 1979 exports increased 8 percent to \$600 million because of a good jute crop and higher jute prices. Total imports increased 17 percent to \$1.5 billion, giving a trade deficit of \$934 million, up 23 percent from 1978. Much of this deficit is due to food imports of \$265 million in 1979, compared with \$165 million in 1978. U.S. concessional food (Title I, P.L. 480) amounted to 366,060 metric tons, equal to \$63 million in FY 1979. The debt service burden reached \$87.6 million in 1978/79, equal to 14.6 percent of export earnings. The total balance of trade for 1978/79 was in deficit by over \$1 billion. Poor agricultural crops held the 1978/79 growth in GDP to 4 percent, compared with 8 percent the previous year. Per capita GDP rose to \$106, up from \$85, with an annual inflation rate of 11 percent, down

from 14 percent in 1978. Inflation was led by food prices, with the price of rice up 31 percent.

International reserves increased to \$386 million, a 23-percent gain over 1978. Import coverage remained about the same at 13 weeks. As of July 1, 1979, external public debt was \$3 billion, up from \$2.8 billion at the end of 1978.

Outlook: Despite relatively stable political conditions, the vulnerability of agricultural production to natural calamities will force Bangladesh to rely on donor financing of food imports in 1980.

India

Summary: The excellent 1978/79 crop year provided a large buildup in stocks before the drought began during the summer of 1979. Grain production in 1979/80 may be 15 million tons below the 1978/79 peak.

Agricultural Production, Consumption, and Trade: Total 1978/79 cereal production was substantially above the 1977/78 level. In both years, India was able to export grain. Although Government stocks were somewhat higher at the end of calendar 1979 than at the beginning, it is generally thought private stocks were severely depleted due to the late year drought. Apparent consumption of grain was 179 kg/capita/yr in 1978/79.

Economic and Financial Situation: Total 1979 exports increased about 15 percent to \$7.6 billion, primarily because of larger exports of grain, textiles, and jewelry. Total 1979 imports increased 32 percent to \$10.5 billion, mainly because of price increases in oil, fertilizer, and edible oils. This gave a 1979 trade deficit of \$2.9 billion, up from \$1.3 billion in 1978. Agricultural imports totaled \$1.5 billion, versus the 1978 figure of \$1.3 billion. Concessional food aid from the United States amounted to \$95 million (400,000 tons) in 1979. The GNP growth rate declined to 3 percent, compared with 6 percent in 1978. Per capita GNP fell to \$164 in 1979 from \$166 in 1978. The inflation rate was 19 percent, up from 3 percent in 1978, led by food prices which rose over 25 percent. As of November 1979, international reserves had increased to \$7.4 billion, a 15-percent increase over 1978, because of foreign aid disbursements of \$2 billion and about \$3 billion in remittances from Indian workers in the Middle East and Europe. Import coverage decreased slightly to 36 weeks, which is adequate coverage. External public debt has averaged about 14 percent of GNP and the debt-service ratio increased slightly to 12.5 percent in 1979.

Outlook: The 1979 summer drought sharply decreased total food grain production in 1979/80. Although winter rains improved prospects for the 1980 wheat crop, India is likely to consume about 10 to 12 million tons more grain than will be domestically produced in 1979/80. Government stocks will be drawn down before imports become necessary.

Nepal

Summary: With good rains, Nepal is self-sufficient in food. Grain production in 1978/79 was good and net exports were possible.

Agricultural Production, Consumption, and Trade: Good weather conditions in 1978/79 increased yields of rice, wheat, and corn. Total 1978/79 grain production increased slightly to 2.84 million tons from 2.77 million tons in 1977/78. Total grain exports also increased from 53,000 tons in 1977/78 to 83,000 tons in 1978/79. Total grain imports remained constant at 20,000 tons in both years. Apparent consumption of grain was constant at 204 kg/per capita/yr.

Economic and Financial Situation: Exports through November 1979 increased 13 percent to \$103 million. Imports for the same period increased 5 percent to \$222 million,

primarily because of price increases for oil and fertilizer. Through November, this gave a 1979 trade deficit of \$119 million, up from \$89 million in 1978. The good crops contributed to the growth in GDP of 2 to 4 percent in 1979, compared with 2 to 3 percent in 1978. The inflation rate was estimated at 10 percent, up from about 7 percent in 1978.

International reserves increased (as of November 1979) to \$167 million, a 14-percent increase over 1978. Import coverage increased to 36 weeks, and is adequate. External public debt stood at \$100 million as of October 1979, a \$12-million increase over 1978. The debt-service ratio remained low at 3.6 percent.

Outlook: The monsoon rains so far have been inadequate for winter crops, and grain production may be down sharply. If the dry conditions continue, Nepal can be expected to import 50,000 to 70,000 tons of grain in 1980.

Pakistan

Summary: Domestic grain production was down in the 1978/79 crop year, but Pakistan could become self-sufficient in grain within a few years.

Agricultural Production, Consumption, and Trade: Weather conditions in 1978/79 resulted in an increase in wheat output, but a decrease in rice production. Total cereal production in 1978/79 was 13.05 million tons, compared with 13.64 million tons the previous crop year. The forecast for the 1979/80 crop is for record production of 14.76 million tons due to favorable weather. Net imports were up sharply in 1978/79 after exports of some 79,000 tons in 1977/78. If expected crop yields materialize, Pakistan will again have net exports of grain in 1979/80. During FY 79, Pakistan imported 1 million tons of wheat, with 800,000 tons coming from the United States. Grain production, imports, and stock changes, together with increased population, gave an estimated apparent grain consumption level of 197 kg/capita/yr, up slightly from the previous year.

Economic and Financial Situation: Total 1979 exports increased 30 percent to \$1.7 billion, due mainly to rice and cotton products. Pakistan has a trade deficit of \$2 billion, up from the 1978 figure of \$1.5 billion. Much of this deficit is due to fuel oil imports. U.S. concessional food aid amounted to nearly 126,000 tons of wheat and 8,400 tons of vegetable oils in 1979. This was 80 percent of total wheat imports and 40 percent of total vegetable oil imports.

The debt-service burden reached \$700 million in 1979. Good agricultural crops in 1979 led the GDP in growth at 6 percent, compared with 5 percent the previous year. Per capita GDP rose to \$248, up from \$225, with an annual inflation rate of 15 percent, up from 12 percent in 1978. Inflation was led by oil and fuel prices.

Foreign exchange reserves decreased to \$213 million at the end of 1979, a 48-percent decrease over 1978. Import coverage continued to decrease to only 3 weeks from the 1976-78 average of 11 weeks. External public debt was almost \$7.7 billion at mid-1979, about the same level relative to GNP as in 1978, and the debt-service ratio was estimated to have increased to 37 percent for 1979.

Outlook: Domestic food production is expected to increase in 1980 due to good rains at the end of 1979. However, imports of 1 to 1.5 million tons of wheat are expected during 1980. The Afghan refugee situation could increase this amount substantially.

Sri Lanka

Summary: Grain production was up slightly in 1978/79. However, Sri Lanka is not self-sufficient in grain, and imports of wheat and rice are needed to meet domestic consumption needs.

Agricultural Production, Consumption, and Trade: Total grain production increased from 1.17 million tons in 1977/78 to 1.38 million tons in 1978/79. Grain imports were 1.18 million and 858,000 tons, respectively, in the 2 crop years. Government stocks at the beginning of 1979 were 280,000 tons, down slightly from beginning 1978 levels. Apparent grain consumption in 1979/80 increased slightly to 161 kg/capita/yr from the 1978/79 level of 154 kg/capita/yr.

Economic and Financial Situation: Total 1979 merchandise exports increased 19 percent from \$845 million in 1978 to \$1,006 million in 1979. Total 1979 imports increased 47 percent from \$934 million in 1978 to \$1,375 million. This gave a 1979 trade deficit of \$369 million, up substantially from the \$80 million deficit in 1978. Concessional food aid from the United States amounted to \$16.9 million (78,188 tons of wheat flour) in 1979. The growth in GDP was 5 to 6 percent, compared with 8.2 percent in 1978.

International reserves increased to \$517 million, a 30-percent gain over 1978. External public debt has been increasing the past few years, although the terms and maturity have been favorable. The debt-service ratio fell slightly to 9.0 percent. After a second balance-of-payments surplus in 1977, a slump in world tea prices and rapid increase in imports reduced the size of the surplus by almost half of 1978's level. Despite a continuation of these trends and the higher cost of oil imports, the balance of payments showed a \$7.7 million surplus because of increased aid flows and private investment.

Outlook: Dry weather during the latter half of calendar 1979 has diminished the prospects for 1979/80 grain production. Recent rains have brightened the outlook, but Sri Lanka will likely import 1.1 million tons of rice and wheat.

East Asia Regional Summary

This section includes a review of 11 countries including the People's Republic of China (tables 9-11). The region as a whole accounts for approximately 30 percent (1.3 billion) of the world's population. Over 50 percent of the labor force in all countries except Korea is employed in agriculture, but agriculture's share of GDP is generally below 30 percent. Rice is the staple food in most of the countries in the region. The major net importers of grain within the region in 1978/79, in order of importance, are People's Republic of China (9.5 million tons), Korea (4.8 million tons), Indonesia (3.0 million tons), Vietnam (1.3 million tons), and the Philippines (0.7 million tons). While a great proportion of these imports is met through intraregional trade with Thailand, Burma, Japan and Australia, the United States is an important supplier to Korea, the Philippines, and Indonesia.

Economic and financial data on the region are sketchy. However, preliminary estimates indicate that Burma had a positive net trade balance, while the Philippines reduced its trade deficit in 1979. In contrast, Korea's trade deficit increased. Indonesia, an OPEC country, continues to enjoy large trade surpluses.

Indonesia and Korea account for nearly all the P.L. 480 given in the region in FY 1979, but Laos, the Philippines, and Burma also received assistance. Title I accounted for 94 percent of P.L. 480 going to the region. Of the Title II shipments into the region, most was directed toward maternal and child feeding and "Work for Food" programs in Indonesia and the Philippines.

Table 9--East Asia: Total grain production, net imports, and per capita availability

Country	Production			Net imports			Per capita availability 4/			
	1978/79 : forecast	1979/80 : trend 1/	Variation : 2/	1978/79 : forecast	1979/80 : forecast	Share of : consumption : 1978/79	From : United States : 3/	1978/79 : forecast	1979/80 : forecast	1972/74- : 1978/79 : trend : Variation : 2/
	1,000 metric tons	1,000 metric tons	Percent	1,000 metric tons	1,000 metric tons	Percent	Percent	Kilograms per capita	Kilograms per capita	Percent
Low income:										
Burma	7,231	6,763	3.1	-660	-585	NA	NA	202	190	4.0 3.2
Cambodia	1,087	382	-9.1	180	250	40	16	143	90	6.9 1.8
Indonesia	21,554	19,500	3.0	3,024	3,316	13	29	160	150	4.7 3.8
Laos	618	601	.9	100	80	12	NA	198	183	1.8 5.2
Papua New Guinea	NA	NA	NA	68	70	100	NA	23	23	6.4 2.3
Philippines	7,620	8,050	5.1	705	650	10	99	179	182	5.8 1.9
Thailand	14,500	13,770	3.2	-4,774	-4,350	NA	50	213	215	3.0 1.3
Vietnam	6,673	7,410	1.3	1,315	1,675	16	NA	176	196	-1.0 5.7
Western Samoa	NA	NA	NA	NA	10	100	NA	NA	NA	NA NA
Middle income:										
Korea, Republic of	6,829	7,267	2.8	4,767	5,567	46	100	NA	NA	NA NA
Total	66,112	63,743	--	4,734	6,683	--	--	--	--	-- --

NA = Not available.

-- = Not applicable.

1/ Trend growth rate in production based on calendar year.

2/ Variation is calculated as a coefficient of variation from trend.

3/ Share of total imports from the United States.

4/ Trend growth rate in per capita grain availability based on statistics in appendix table 1.

Sources: Foreign Agricultural Service; and Economics, Statistics, and Cooperatives Service.

Table 10--East Asia: Economic and financial indicators 1/

Country	Real GNP		Trade balance/ exports		Import coverage		Debt/GNP		Debt-service ratio		Commodity concentration	
	1976-78 average	1979	1976-78 average	1979	1976-78 average	1979	1975-77 average	1978	1976-78 average	1979	1976-78 average	1979
	Percent		Percent		Weeks		Percent		Percent		Percent	
Low income:												
Burma	5.8	6.6	-3	14	32	33	9	15	18	20	81	81
Indonesia	7.7	6.0	40	NA	18	NA	27	26	12	NA	82	82
Papua New Guinea	1.5	3.0	5	11	29	35	23	22	4	6	74	74
Philippines	6.2	6.0	-50	-38	20	19	12	18	13	14	46	46
Thailand	6.9	7.0	-28	NA	23	NA	5	8	4	NA	38	38
Western Samoa	NA	2.5	-309	NA	9	NA	NA	NA	10	11	84	84
Middle income:												
Korea, Republic of	12.8	9.0	-13	-32	19	15	26	28	12	13	10	10

NA = Not available.

1/ 1979 figures are estimates or projections. See glossary for explanation of indicators. Excluding People's Republic of China, Vietnam, Cambodia, and Laos.

Sources: World Bank; International Monetary Fund; U.S. Central Intelligence Agency.

Table 11--East Asia: Total and U.S. food aid, fiscal year 1979 1/

Country	U.S. food aid											
	Total food aid	P.L. 480		Title II aid, by program								
		Title I	Title II	Developmental					Emergency			
				Maternal-child feeding	School feeding	Other child feeding	Food for work	Refugee	Disaster	General relief		
<hr/>												
		Metric tons										
Low income:												
Burma	8,900	--	--	--	--	--	--	--	--	160,000		
Cambodia	--	--	--	--	--	--	--	--	--	--	--	--
Indonesia	763,918	488,470	20,424	338,800	--	--	203,000	100	28,000	8,200		
Laos	1,500	--	6,250	--	--	--	91,100	--	--	--	--	--
Papua New Guinea	--	--	--	--	--	--	--	--	--	--	--	--
Philippines	44,000	70,050	22,835	671,400	2,228,500	32,200	36,200	--	--	2,000		
Thailand	--	--	--	--	--	--	--	--	--	--	--	--
Vietnam	32,148	--	--	--	--	--	--	--	--	--	--	--
Middle income:												
Korea, Republic of	220,000	245,940	--	--	--	--	--	--	--	--	--	--
Total	1,070,466	558,520	49,509	1,010,200	2,228,500	32,200	330,300	160,100	28,000	10,200		

-- = Not applicable.

1/ Discrepancies between total food aid and P.L. 480 are due to different reporting systems. Commodities given as food aid are converted into metric tons.

Sources: Food Aid Bulletin, various issues, Food and Agriculture Organization; U.S. Department of Agriculture; and 1979 Annual Report on P.L. 480, Office of Food for Peace, U.S. Agency for International Development (to be published).

Burma

Summary: Burma is virtually self-sufficient in food production and is a major exporter of rice. The country has the potential to substantially increase rice production.

Agricultural Production, Consumption, and Trade: Grain production decreased to 6.8 million tons in 1979 from 7.1 million tons in 1978. Grain exports nearly doubled to 600,000 tons during 1979. Approximately 15,000 tons of grain were imported in both years, including 4,000 tons of U.S. wheat. Other food imports were approximately steady and small. Apparent consumption was 190 kg/capita/yr in 1979, down from 202 kg/capita/yr in 1978.

Economic and Financial Situation: Total 1979 exports increased 54 percent to \$372 million, due to increased rice exports and other agricultural products. Imports increased 4 percent to \$319 million, which gave a trade surplus of \$53 million, up from 1978. Much of this surplus is due to rice exports of \$313 million in 1979. No concessional food aid was sent to Burma in 1979. Fair agricultural output in 1979 contributed to GDP growth of 6 percent, compared with 7 percent the previous year. Per capita GDP rose to \$136, up from \$130, with an annual inflation rate of 10 percent, about the same as 1978. As a result of the trade surplus, international reserves increased to \$203 million, more than double the 1978 level of \$96 million. Import coverage increased to 33 weeks from 15 weeks in 1978. External public debt averaged 12 percent of GNP for 1976-78. The debt-service ratio increased slightly to 20 percent from the 1976-78 average of 18 percent.

Outlook: Wet conditions in early 1979/80 have diminished expectations for total production in the current year. Rice production could rise 20 percent given price incentives, expanded acreage, increased use of fertilizer, and new varieties.

Indonesia

Summary: Food production was down in 1979, resulting in sizable imports to meet domestic demand.

Agricultural Production, Consumption, and Trade: Grain production in 1979 decreased 0.7 million tons from 21.55 million tons in 1978. Net grain imports of 3 million tons occurred in both crop years. Government stocks at the beginning of 1980 were 2.05 million tons, down from the previous year's level of 2.56 million tons. Apparent consumption of grain was 146 kg/capita/yr in 1979, down from the 1978 level of 152 kg/capita/yr.

Economic and Financial Situation: Total 1979 exports were expected to increase from the \$11.64 billion level recorded in 1978. Grain imports totaled \$1.4 billion in 1979 versus \$1.3 billion in 1978. Concessional food aid from the United States amounted to \$103.7 million (488,483 tons) in 1979. The inflation rate was nearly 28 percent, up from about 10 percent in 1978. International reserves increased to \$4.14 billion, a 60-percent increase over 1978. Import coverage is estimated at nearly 23 weeks. External public debt was \$13.7 billion and the debt-service ratio was estimated at 16 percent.

Outlook: Assuming favorable growing conditions in 1980, rice production will be around the record 1979 level. Despite the anticipated improvements in 1980 crop production, imports are expected to increase to meet rising domestic consumption and for stock rebuilding. Indonesia will not be able to meet demand with its domestic production, and imports of 3.3 million tons of grains are forecast. However, international reserves are ample to cover anticipated imports.

Kampuchea (Cambodia)

Summary: Civil strife in 1978/79 resulted in a complete breakdown of social infrastructure and a severe reduction in agricultural output. The skimpy main season rice crop harvested in December-January provided only temporary relief from the widespread malnutrition and massive starvation that resulted from crop losses in 1978/79. Further malnutrition and starvation will only be averted through 1980 by substantial relief measures from foreign sources.

Agricultural Production, Consumption, and Trade: Civil strife in 1978 and 1979 decreased agricultural production of all crops. Total 1979 grain production declined to an estimated 380,000 tons from the roughly 500,000 tons salvaged amidst military actions from the promising 1978 crop. Total grain "imports" amounted to about 250,000 tons in 1979, up from about 180,000 tons in 1978. Government and private stocks were exhausted long before the end of 1979 and only large amounts of foreign aid late in the year prevented further widespread starvation until the harvest of the meager 1979 crop.

Economic and Financial Situation: With progressive economic decline over the past decade, sharply reduced agricultural production, and destruction of most industrial capacity, the 1979 economy was reduced to an extremely low, if not bankrupt level.

Outlook: The food situation will remain extremely tight through 1980, even with massive international food aid shipments. Agricultural production in 1980 will be hindered by the lack of the basic inputs of seeds, implements, and animal and human power. An estimated 340,000 tons of grain will be needed to prevent massive starvation until the harvest of main-season crop in late 1980. This estimate is based on a population of 4.7 million and a subsistence ratio of 400 grams of grain per person per day.

Laos

Total grain production, essentially all rice, in Laos in 1979 was 520,000 tons (milled basis). This was estimated by officials to be 100,000 tons short of domestic needs. Other food crops including corn, potatoes, and cassava are grown to some degree in Laos but there is no indication of the level of production. Because of political instability, the undeveloped condition of the economy, and the subsistence nature of agriculture, the food situation fluctuates precariously from year to year. The 85 percent of the population existing on subsistence agriculture has little capital to purchase foreign goods. Since foreign exchange is so limited, much of the trade is barter with neighboring countries, of which Thailand is the most important as a rice supplier. Apparent grain consumption was down to 183.3 kg/capita/yr from 198 kg/capita/yr in 1978.

Outlook: The outlook for 1980, according to limited information from the Supreme People's Council plenary session, is for a modest, gradual expansion of agricultural production. There is no indication that the dry weather presently affecting agriculture in northern Vietnam extended westward into Laos.

Papua New Guinea

The GNP growth rate in 1979 was estimated at 3 percent, compared with 2.4 percent in 1978. The inflation rate was about 10 percent compared with 7.5 in 1978. The trade balance for 1979 is expected to show a net surplus of \$93 million, with exports of \$882 million and imports of \$788 million. As a result, international reserves should increase to \$529 million, a 25-percent gain over 1978. Import coverage increased to about 35 weeks. External public debt averaged 23 percent of GNP for the period 1976-78. The debt-service ratio is estimated to have increased slightly to 5.8 percent in 1979.

People's Republic of China

Summary: China has had 2 years of record harvests. New Government policies have continued to increase incomes and domestic demand for food. Imports have been used to meet this rising demand.

Agricultural Production, Consumption, and Trade: Good weather conditions in 1979, together with new agricultural policies and increased input supplies, increased yields from grain crops. Total 1979 grain production increased to 233.5 million tons from 223.7 million tons in 1978, due primarily to wheat. Total grain exports, mainly rice, remained at roughly 1 million tons in 1978 and 1979. Total grain imports decreased slightly from 11.15 million tons in 1977/78 to 10.5 million tons in 1978/79. Soybean imports increased sharply in 1979. Government and private stocks data were not made public.

Economic and Financial Situation: Total 1979 exports increased 36 percent to \$13.6 billion, due primarily to higher textile sales and higher prices for oil and other exports. Total 1979 imports increased 39 percent to \$15.4 billion, because of higher prices and large cotton and capital goods imports. This gave a 1979 trade deficit of \$1.8 billion, up from \$1.1 billion in 1978. Imports of grain totaled approximately \$1.4 billion (10.5 million tons), versus the 1978 figure of \$1.2 billion (11.2 million tons). There was no concessional food aid from the United States. The good crops in 1979 contributed to the growth in GNP of 6.4 percent, compared with 11.5 percent in 1978. Per capita GNP rose to \$505 in 1979 from \$482 in 1978, both in 1979 dollars. The inflation rate was up in 1979.

Outlook: The outlook for 1980 is for a modest increase in food production, assuming average weather conditions. The increase is likely to be less than the large increases of 1978 and 1979. Food imports will likely increase somewhat to meet consumption demand.

Philippines

Summary: The Philippines were self-sufficient in rice in 1979. With wheat imports, the overall food situation was satisfactory.

Agricultural Production, Consumption, and Trade: Good weather conditions have increased rice and corn yields. Total grain production will likely increase to 8.05 million tons from 7.51 million tons. This increase is due primarily to rice and corn. Total grain exports increased, and grain imports, mostly wheat, also rose. Government stocks at the beginning of 1979 were 1.61 million tons, unchanged from the 1978 level. Increased population along with production and imports combined to give an apparent increase in grain consumption of 181.7 kg/capita/yr in 1979, compared with 179.2 kg/capita/yr in 1978.

Economic and Financial Situation: Total 1979 exports are estimated to have increased 12 percent to \$3.8 billion, mainly because of improved international commodity markets. Total 1979 imports increased 17 percent to \$5.5 billion, due partly to higher oil prices. This gave a 1979 estimated trade deficit of about \$1.7 billion, up from \$1.3 billion in 1978. Imports of grain and soybeans (January-September) totaled \$219 million (788,000 tons). Concessional food aid from the United States amounted to \$15 million (72,685 tons) in 1979. Agriculture, excluding forestry and fishery, expanded 6 percent in 1979, compared with 5.4 percent in 1978. The inflation rate was 19 percent, up from about 8 percent in 1978, led by increased oil prices. Despite the large trade deficit, international reserves increased to \$2.2 billion, a 28-percent increase over 1978. Import coverage in 1979 was 19 weeks, the same as in 1978. Medium- and long-term external debt was \$9.6 billion at the end of year 1979, of which 43 percent

was private sector debt. The debt-service ratio was estimated to be 14 percent, about the same as the 1976-78 average.

Outlook: The 1980 outlook for food production is good, with some gains expected. Food imports will again be needed at concessional rates to support expanding urban demand while maintaining a manageable trade deficit.

Republic of Korea

Summary: Korea imported substantial quantities of grain in 1979. U.S. food aid supplied some of these imports.

Agricultural Production, Consumption, and Trade: Total grain production remained about the same in 1979 as in 1978. Net grain imports increased substantially during this period, and hoped-for self-sufficiency in rice was not achieved. Government stocks in November 1979 were 2.6 million tons, down slightly from the November 1978 level. Apparent consumption increased to 322 kg/capita/yr in 1979 from 313 kg/capita/yr in 1978.

Economic and Financial Situation: Total 1979 exports in current prices are estimated to have increased 17 percent to \$15.2 billion, but based on constant 1975 prices, this was a decline of 2.7 percent. In constant 1975 prices, the increase in 1979 imports was 10 percent over 1978 imports. This gave a 1979 trade deficit of \$2.9 billion, up from \$1.1 billion in 1978. The trade deficit has been increasing since 1976. Concessional food aid from the United States amounted to 220,000 tons in 1979. International reserves increased to \$5.69 billion, a 16-percent increase over 1978. Import coverage decreased to about 15 weeks, compared with 17 in 1978. Public and private external debt totaled over \$12 billion at midyear 1979, and the debt-service ratio on foreign medium- and long-term debt was 13 percent, about the same as the 1976-78 average.

Outlook: Korea has a strong agricultural sector but is experiencing strong migration of labor to urban areas. Efforts are being made to increase rice and barley production. However, grain imports in 1980 will again be necessary to meet domestic demand.

Thailand

Summary: Thailand is self-sufficient in food production and is a major grain exporter. Despite recent dry weather and the Khmer refugee problem, food supplies were adequate in 1979.

Agricultural Production, Consumption, and Trade: Total grain production in 1979 increased slightly over 1978. Net grain exports nearly doubled. Stocks also rose during the year. Apparent consumption of grain increased to 215 kg/capita/yr in 1979, up slightly from the 1978 level.

Economic and Financial Situation: Total 1979 exports increased by 30 percent to \$5.27 billion, because of agricultural exports. However, there was a trade deficit of \$2.27 billion, up from 1978. The main food import was wheat, 33 percent higher than 1978. No concessional food aid was supplied to Thailand in 1979.

The debt-service burden, an estimated \$236 million in 1979, equalled 5 percent of export earnings. GNP grew 5.8 percent in real terms compared with 12.4 percent the previous year. Per capita income rose to \$594, up from \$516, with an annual inflation rate of 9.9 percent, up slightly from 1978. Oil prices led inflation, with the price of petroleum products up over 50 percent. International reserves increased to \$1.4 billion, a 9-percent increase over 1978. Import coverage decreased to 19 weeks. External public debt averaged only 6 percent of GNP for 1976-78.

Outlook: Dry weather in the last half of 1979 reduced the expected 1979/80 production below that of 1978/79. However, grain supplies should remain adequate in 1980, even with the influx of Khmer refugees. Thailand will remain a net grain exporter.

Vietnam

Summary: Grain production increased in 1979 compared with the 1978 crop year. Food imports were necessary and were supplied primarily by the USSR.

Agricultural Production, Consumption, and Trade: Total grain production increased from 6.75 million tons in 1978 to 8.15 million tons in 1979. Known imports have remained almost steady, varying from 1.32 million tons in 1978 to 1.38 million tons in 1979. Grain exports have been made to Kampuchea in support of the military action and for food relief. Apparent grain consumption increased from 163 kg/capita/yr in 1978/79 to 185 kg/capita/yr in 1979/80.

Economic and Financial Situation: Few specifications are known about the performance of the general economy. However, it has been declining since 1976 and was expected to decline further in 1979.

Outlook: Military action in Kampuchea has resulted in agricultural labor shortages, and 1980 crop preparations are lagging. This, combined with dry conditions in the North, will necessitate high levels of food imports despite food rationing policies. The potential remains for a fairly good harvest in 1980, but the increased goal of 9.75 million tons (milled rice basis) will not likely be attained.

Western Samoa

The GNP growth rate in 1979 was estimated to be 5.5 percent, compared with 2.2 percent in 1978. The inflation rate was about 5 percent, up from 2.4 in 1978. The trade balance showed large trade deficits between 1976 and 1978, averaging over 300 percent of exports. International reserves as of November 1979 had decreased to \$3.4 from \$4.8 million, a 41-percent decline over 1978. Import coverage averaged 9 weeks for 1976-78. External public debt nearly doubled, from \$20 million in 1976 to about \$40 million in 1978. The debt-service ratio of 8 percent in 1976 and 1977 nearly doubled to 15 percent in 1978.

Sudano-Sahelian Regional Summary

The 11 countries in the Sudano-Sahelian region constitute only about 2 percent of the world's population, but this region has one of the most serious food situations in the world. It has not fully recovered from the prolonged, devastating drought during the early and middle seventies and rainfall has not returned to normal. The agricultural and economic situation has also been seriously disrupted by fighting and the movement of large refugee populations, particularly in Chad, Ethiopia, Somalia, Sudan, and Djibouti. Food shortages affecting both the local population and the refugees have been reported in these countries.

The Sudano-Sahelian region, one of the world's poorest regions, has an average per capita income of about \$180. Average life expectancy is 42 years and the average infant mortality rate of 165 per 1,000 is one of the highest in the world. These two indicators reflect the general level of poverty and the inadequate food situation. Although the majority of the population lives in rural areas (about 85 percent), the urban population has been increasing. Mauritania's urban population has been growing the fastest, but the urban population in the Sudan and Niger has also been increasing rapidly.

The agricultural sector is vital to each country, employing about 80 percent of the population and providing about half the value of GDP. The export of agricultural products--primarily cotton, coffee, and livestock products--provides the bulk of foreign exchange for most countries. Two exceptions are Niger and Mauritania. Both have large mining sectors which provide the greatest share of GDP as well as most of the foreign exchange.

Per capita food production declined steadily in the region throughout the seventies and has not been sufficient to meet domestic needs (tables 12-14). Per capita grain availability in 1979 declined from 1978 levels in every country. All countries in the region have recently been net importers of grains. However, the proportion of grain imports to total grain consumption has been small. Thus, the region depends on its own production to meet its food requirements because food imports have been constrained by poor distribution and transportation facilities, and a lack of foreign exchange. The United States was a major grain supplier to the Sudan in 1979, providing about 50 percent of these imports. The United States exported smaller amounts to Ethiopia, Niger, and Somalia. Over 30 percent of U.S. grain exports to Ethiopia and Somalia were financed under P.L. 480.

Because of the dependence of both the domestic and external economy on agricultural production, the deteriorating agricultural sector has resulted in a worsening economic and international financial situation in most of these countries. Growth rates in GNP have been low or stagnant for the past several years. Only Niger (5 percent) and Mali (6 percent) had a strong rate of economic growth in 1979. Every country (except the Central African Republic) had sizable trade deficits in 1979. Only Niger and Mauritania, with mineral exports, appear to be in a position to reverse this trend. International reserve levels have been generally low, with most countries relying heavily on foreign aid to finance the trade deficits. Mali, Sudan, Somalia, and Mauritania have large outstanding levels of debt and the repayment burdens have placed an extra strain on their economies.

Each country received some food aid during FY-79. The Sudan was by far the largest recipient with about 70 percent of its food aid provided by a P.L. 480 Title I Agreement. Somalia was the other Title I recipient. Each country received Title II aid, most as refugee and disaster relief, although substantial amounts were directed to maternal and child feeding and Food for Work programs. The Sudano-Sahelian countries will continue to need food and financial aid to overcome the serious food problems caused poor weather and civil strife.

Cape Verde

Summary and Outlook: The Cape Verde islands continue to be plagued by drought and persistent food shortages. Large trade deficits necessitate inflows of capital and aid to finance food imports.

Agricultural Production, Consumption, and Trade: The first rains of the 1979/80 crop year fell in mid-July. Seeding was immediately begun in the dryland farming areas. There was hope for a normal rainy season, but a new dry period and a devastating grasshopper plague almost totally destroyed the corn and bean crops, traditional staples of the Cape Verdean diet. Only the irrigated crops of vegetables, sugarcane, bananas, cassava, and potatoes showed normal production.

Grain production in 1979 declined significantly from 1978. Total food production in 1979 was approximately 43,000 tons, with cassava contributing over a third. However, apparent per capita consumption increased slightly due to imports and food aid. Cape Verde had stocks of 31,000 tons of corn at the end of January 1980; consumption is estimated at about 4,000 tons monthly. Pledges of 20,000 tons from the United States,

Table 12--Sudano-Sahelian Africa: Total grain production, net imports, and per capita availability

Country	Production			Net imports			Per capita availability 4/			
	1978/79 : forecast : trend 1/	1979/80 : Variation : 2/	1978/79 : forecast : trend 3/	1978/79 : forecast : trend 3/	Share of : consumption : 1978/79	From : United States : 3/	1978/79 : forecast : trend	1979/80 : forecast : trend	1972/74- : 1978/79 : trend	Variation : 2/
	1,000 metric tons	Percent	1,000 metric tons	metric tons	Percent	Percent	Kilograms per capita	Percent	Percent	Percent
Low income:										
Cape Verde	15	NA	53	48	NA	NA	209	203	NA	NA
Chad	607	NA	--	--	--	--	142	95	NA	NA
Central African Republic	100	NA	10	10	NA	NA	NA	NA	NA	NA
Ethiopia	2,578	-4.9	101	120	3.6	3	89	109	-4.0	10.8
Mali	871	.6	10	10	1.3	NA	423	293	-4	12.6
Mauritania	70	NA	110	155	NA	NA	NA	NA	NA	NA
Niger	1,452	4.7	50	30	3.1	17	302	192	4.3	24.8
Somalia	234	10.4	155	160	4.6	6	115	114	4.3	8.6
Sudan	3,070	4.4	250	300	10.7	50	199	165	5.5	9.3
Upper Volta	1,051	1.1	35	40	3.8	NA	168	158	-6	6.4
Total	10,048	--	774	873	--	--	--	--	--	--

NA = Not available.

-- = Not applicable.

1/ Trend growth rate in production based on calendar year.

2/ Variation is calculated as a coefficient of variation from trend.

3/ Share of total imports from the United States.

4/ Trend growth rate in per capita grain availability based on statistics in appendix table 1.

Sources: Foreign Agricultural Service; and Economics, Statistics, and Cooperatives Service.

Table 13--Sudano-Sahelian Africa: Economic and financial indicators 1/

Country	Real GNP		Trade balance/ exports		Import coverage		Debt/GNP		Debt-service ratio		Commodity concentration ratio 1976-78 average
	1976-78 average	1979	1976-78 average	1979	1976-78 average	1979	1975-77 average	1978	1976-78 average	1979	
	Percent		Percent		Weeks		Percent		Percent		
Low income:											
Central African Republic	3.3	1.0	27	-5	18	10	21	29	5	12	74
Chad	-5.6	2.0	-26	-87	7	3	18	25	12	15	94
Ethiopia	1.3	1.0	-28	-62	32	11	14	15	9	6	86
Mali	5.7	6.0	-55	-43	2	3	63	71	6	26	60
Mauritania	3.0	2.0	-28	-115	21	19	90	137	31	72	95
Niger	8.6	5.0	8	NA	47	NA	16	18	5	NA	81
Somalia	-1.8	-3.0	-137	-110	33	10	74	126	11	16	91
Sudan	4.0	4.0	-89	-164	1	3	29	38	14	47	80
Upper Volta	4.6	5.8	-285	-129	15	10	14	22	11	7	51

NA - Not available.

1/ 1979 figures are estimates or projections. See glossary for explanation of indicators. Excluding Cape Verde.

Sources: World Bank; International Monetary Fund; U.S. Central Intelligence Agency.

Table 14--Sudano-Sahelian Africa: Total and U.S. food aid, fiscal year 1979 1/

Country	U.S. food aid											
	Total food aid	P.L. 480		Title II aid, by program								
		Title I	Title II	Developmental				Emergency				
				Maternal-child feeding	School feeding	Other child feeding	Food for work	Refugee	Disaster	General relief		
Metric tons												
Low income:												
Cape Verde	10,650	--	15,850	--	--	--	--	--	--	--	245,000	--
Chad	4,000	--	18,981	53,000	--	4,500	41,200	--	430,000	--		--
Ethiopia	34,574	--	34,441	182,400	--	500	60,000	454,000	240,000	--		--
Mali	14,087	--	4,796	--	--	--	17,000	--	--	--		--
Mauritania	15,500	--	2,727	42,000	--	--	13,000	--	--	2,100		--
Niger	12,000	--	255	--	33,000	--	9,300	--	--	--		--
Somalia	37,500	32,660	27,860	--	--	--	137,000	120,000	60,000	--		--
Sudan	156,428	111,990	4,383	30,000	560,000	--	20,000	--	100,000	--		--
Upper Volta	9,286	--	26,669	90,000	138,400	--	44,800	--	245,000	--		--
Total	294,025	144,650	135,962	397,400	731,400	5,000	348,300	574,000	1,320,000	2,100		--

-- = Not applicable.

1/ Discrepancies between total food aid and P.L. 480 are due to different reporting systems. Commodities given as food aid are converted into metric tons. Excluding Central African Republic.

Sources: Food aid Bulletin, various issues, Food and Agriculture Organization; U.S. Department of Agriculture; and 1979 Annual Report on P.L. 480, Office of Food for Peace, U.S. Agency for International Development (to be published).

France, and the World Food Program during 1980, plus commercial imports of 15,000 tons, should cover the corn requirements of Cape Verde through the rest of 1980.

Economic and Financial Situation: Cape Verde has had large trade deficits, financed primarily by inflows of foreign aid and private transfers from Cape Verdeans working abroad. The outstanding foreign debt is small with most loans granted on a concession-al basis. About 60 percent of the government budget is provided by aid from international organizations. Major exports are fish, salt, and bananas. Major imports are corn, rice, sugar, and petroleum products.

Chad

Summary: Dry weather and civil strife combined to reduce food output.

Agricultural Production, Consumption, and Trade: Rainfall was below normal in Chad during 1979. Harvests were also reduced by the internal political crisis which disrupted the economy during the year. Total grain production in 1979 increased to 607,000 tons from 588,000 tons in 1978. Prior to the drought years of the early seventies, Chad produced about 650,000 tons of grain, mostly sorghum and millet, and was self-sufficient in grain except for about 12,000 tons of wheat imported annually. Grain production returned to normal after 1975, but in December 1979, an FAO mission estimated a grain deficit of 50,000 tons.

Economic and Financial Situation: The economic situation in Chad has stagnated because of the drought conditions and internal strife. GNP declined almost 6 percent on average during 1976-78. The GNP growth rate in 1979 was estimated at 2 percent, compared with 3.6 percent in 1978. The inflation rate was about 10 percent in 1978 and 1979.

Chad has had large trade deficits the past several years. The trade balance showed an estimated deficit of \$95 million with exports of \$109 million and imports of \$204 million. Almost 80 percent of export earnings are contributed by cotton. International reserves as of September 1979 were \$12 million, the same as at the end of 1978. Import coverage declined to only 3 weeks. Outstanding external public debt was \$157 million in 1978, equal to about 25 percent of GNP. The debt-service ratio was estimated at 15 percent in 1978, three times as large as in 1976.

Outlook: If the civil strife can be settled and the weather is favorable, Chad could become nearly self-sufficient in food production. However, an estimated 100,000 tons of food grains will be needed in 1980 to make up the shortfall. This amount is beyond the capability of port (in Cameroon) and transportation facilities.

Djibouti

This small African country, newly independent in 1977, has had to cope with serious problems both inside and outside its borders. The conflict between neighboring Ethiopia and Somalia has disrupted the only rail connection outside the country and has flooded the capital with refugees. Urban facilities are inadequate and practically all food is imported; the refugee problem will continue to require external assistance.

There were an estimated 2,500 refugees in Djibouti in October 1979, most of whom were ethnic Somalians from the Ogaden area of Ethiopia. At that time, the United States provided \$776,000 in P.L. 480 Title II food aid and \$200,000 to a disaster assistance fund. The U.S. Agency for International Development (AID) plans to grant \$1.5 million over the next 3 years to assist the government with the refugee program. This effort will eventually be coordinated with the World Food Program and other United Nations activities.

Outlook: Djibouti will continue to require food aid and other financial assistance to help cope with the refugee situation.

Ethiopia

Summary Statement: Uneven growing conditions and prolonged civil strife continue to limit agricultural production. Food shortages still affect a large part of the country.

Agricultural Production, Consumption, and Trade: Crop harvests were somewhat down in 1979 even though rainfall was normal and adequate in the early part of the year for a good harvest. However, conditions deteriorated as the season progressed. Fall rains for the second-season crop were meager, resulting in a reduced harvest in parts of several provinces. Total grain production declined in 1979 from 1978 levels. Grain imports also declined in 1978/79, so that per capita annual consumption fell from 106 kilograms to 89 kilograms. One of the biggest problems is food for refugees and war-displaced and destitute persons. These were estimated to number over 2 million in October 1979 and the numbers continue to rise. The United States has provided financial and technical assistance to help with the refugee situation, including P.L. 480 Title II emergency food aid.

Economic and Financial Situation: The agricultural sector provides the livelihood for 85 percent of the people and about 66 percent of the GDP. Three-quarters of the industrial sector is engaged in processing agricultural products which account for about 90 percent of the export earnings. The economy has been virtually stagnant the last several years. The GNP growth rate was estimated to be only 1 percent in both 1978 and 1979. The inflation rate has been about 15 percent. Production of coffee, Ethiopia's most important export crop, was at least as good or better than any recent year. Coffee exports were expected to be considerably higher in 1979 than in 1978; this was the only bright spot in Ethiopia's economic performance during 1979. However, a new collectivization scheme being implemented for the coffee growers does not bode well for next year's coffee exports. Unless coffee prices and output both rise sharply, trade deficits will continue. The trade deficit for 1979/80 (July-June) is projected at \$304 million. International reserves have been low, equal to about 11 weeks of coverage estimated on 1979/80 level imports. Ethiopia does not have a sizable debt burden as many of the capital inflows are grants or concessional aid. Economic progress is not likely in the coming year as long as internal unrest and war conditions prevail.

Outlook: Government efforts to increase production in recent years have not been successful. Continued stagnation is expected until the civil strife is settled. Ethiopia will continue to depend upon large amounts of food aid to prevent serious food shortages.

Mali

Summary: Sufficient rain fell in Mali during 1979. However, reports indicate some shortages occurred during crucial growing periods, reducing yields for some crops. Overall there was a small decline in production compared with the good 1978 harvest. Mali suffers from a chronic balance-of-trade deficit. Mali's international financial position is not likely to improve significantly in the short run as costs of imports are rising much faster than the prices of exports.

Agricultural Production, Consumption, and Trade: Production of staple food crops in 1979 probably did not reach the level of the excellent harvest of 1978. Grain production is estimated to have declined to 87,000 tons. Output of other staple food crops remained at about the 1978 level, according to preliminary estimates. Export crops are

crucial to the economy since they generally account for more than half of total export receipts.

Production of cotton and peanuts, the main cash and export crops, has been recovering since the end of the drought in 1975. There were very good harvests in 1976 and 1978. The 1979 crops were reduced somewhat because of bad weather. The 1978 crop of 125,000 tons of seed cotton was probably not equaled in 1979. The same situation exists for peanuts. The 1979 harvest was approximately equal to the 150,000-ton level of 1978. During 1975-78, cotton accounted for 50 percent of total export earnings and peanuts for 15 percent. But, following a poor crop, the value of Mali's cotton exports fell 33 percent in 1978 from the \$74.4 million exported in 1977. Given the past trend, 1979 exports should have returned to near the 1977 level. The value of peanut exports, which fell 31 percent in 1978, should have recovered in 1979. Mali needed to import an estimated 60,000 tons of food, mostly grain, in 1979 to meet domestic consumption requirements. Most imports are made under concessional terms.

Economic and Financial Situation: The economy has strengthened and stabilized over the past year. President Moussa Traore remains in firm control of the government and has been able to strengthen his position since an attempted coup 2 years ago. Producer prices have been increased 25 percent in an effort to reduce clandestine exports to neighboring countries where prices were often double those prevailing in Mali. This measure has met with opposition from urban consumers of locally produced foodstuffs. The government has implied that food prices in the cities will not be increased; however, this policy will be difficult to implement without some kind of subsidy, which the budget cannot afford.

The GNP growth rate is estimated at 6 percent for 1979 compared with 0.7 percent in 1978. There are no estimates for inflation in recent years, although inflation in 1979 may have been above 20 percent. Mali had an estimated trade deficit of \$48 million in 1979. This was an improvement over 1978 and was partly due to increased exports of agricultural products. The country's international reserves, which stood at \$9 million in 1978, declined to \$6 million in 1979. Mali's external debt increased from \$449 million in 1977 to \$540 million in 1978 as the country financed various development projects.

Outlook: The Government of Mali has projected a shortage of 250,000 tons of grain during 1980, an estimate which may be high. Food imports will definitely be needed to meet the shortfall from the 1979 harvest. Agricultural production could be up in 1980 with good weather.

Mauritania

Summary: Mauritania still suffers from the severe Sahelian drought. Drought conditions have seriously affected the rural economy and food production has drastically declined.

Agricultural Production, Consumption, and Trade: The combination of the Sahelian drought and years of official neglect of agricultural development has adversely affected the rural economy. Nomads and farmers continue to be threatened by increasing desertification. Although rainfall returned to near-normal levels in 1978 (85 percent of normal nationwide), restoration of production to predominant levels will take years. Nomads now make up only 36 percent of the population, down from 65 percent in 1964, and herds of cattle, sheep, and camels have been reduced by 50 percent. Many former nomads and farmers, squeezed by the drought and government policies aimed at keeping urban food prices low, have migrated to the cities. The result has been a 10-percent annual population growth rate in the urban centers during much of the seventies.

Mauritania again suffered from severe drought in 1979. The rainfed grain harvest was very poor. Flood plain crops have also been seriously affected by the low level of the Senegal River. The 1979 grain crop is estimated at between 20,000 and 25,000 tons, compared with a normal production of about 100,000 tons. Food imports have been increasing and were estimated to be over 100,000 metric tons in 1979. Substantial food aid will be required to meet the annual demand of about 180,000 tons.

Economic and Financial Situation: Economic growth has been stagnant (1 percent in 1978) or declining in recent years, although a 2-percent growth was registered in 1979. This small improvement in the GNP, however, was negated by an inflation rate of 12 percent.

Mauritania experienced an estimated trade deficit in 1979 of \$171 million, with exports of \$149 million (89 percent in iron ore) offset by \$320 million of imports. Mauritania has a high level of international reserves which increased by 43 percent to \$114 million in 1979 from \$80 million in 1978. Import coverage dropped to 19 weeks but remains the highest for the Sudano-Sahelian countries. External public debt averaged over 100 percent of GNP in 1976-78. Scheduled debt-service payments for 1979 were \$108 million, 72 percent of exports, but some payments were expected to be rescheduled.

Outlook: Mauritania's agricultural situation will depend on the weather. Unless rainfall returns to normal levels, food imports will be necessary. Mauritania will also continue to need external financial assistance to cover its large debt burden and trade deficits.

Niger

Summary: Food production in Niger was estimated to be average in 1979. Output from the 1979 harvest was below the level of 1978, an unusually good year. Niger's economy continues to develop along dualistic lines, showing only marginal progress in the traditional agricultural sector, but dramatic growth in uranium production and earnings, as well as increases in the related transport and service sectors. Uranium exports provide 75 percent of the country's foreign trade receipts, and uranium production contributes 15 percent of the GDP.

Agricultural Production, Consumption, and Trade: Total food production was down somewhat in 1979 compared with the excellent harvest of 1978. While the quantity of rainfall was normal, shortages during critical growing periods reduced yields of most crops. Total grain production is estimated at 1 million tons, mostly sorghum and millet, compared with 1.2 million in 1978.

Production of the main cash crops, cotton, and peanuts, continued to decline. Government policy and private demand for food grains have boosted grain prices and undermined farmer interest in cultivation of peanuts and cotton. Marketing of shelled peanuts amounted to about 15,000 tons in 1979 compared to 185,000 tons in 1972.

Agricultural exports continued to decline in 1979. The peanut crushing facilities are operating at only one-tenth of installed capacity. Niger had to import vegetable oil in 1979 to meet local demand. Almost all the local cotton production is used by the domestic textile industry.

Niger imported 72,000 tons of grain in 1978, half under concessional terms. Even had there been no shortfall in sorghum and millet supplies during 1979, Niger would have had to import rice to meet the demand of urban consumers.

Economic and Financial Situation: Growth in GNP is estimated to have increased from 3 percent in 1978 to 5 percent in 1979. Inflation doubled from 10 percent in 1978 to 20

percent in 1979. Niger's balance of payments is characterized by a substantial deficit on goods and services financed by capital inflows, originally grants, but increasingly in the form of direct investment and loans since the establishment of uranium mining. International reserves, estimated at \$128 million in 1978, increased only slightly to \$131 million as of November 1979.

Outlook for 1980: Niger has announced it will be self-sufficient in food in 1980 and will not require assistance. However, Niger will probably have to import small quantities of rice and wheat during 1980 to meet urban consumer demand. Increased earnings from uranium exports will enable Niger to import more foodstuffs.

Somalia

Summary: Drought conditions and continued influx of refugees from the border regions have put a strain on food supplies. Food aid imports were an important supply source during 1979.

Agricultural Production, Consumption, and Trade: The year began with a large influx of refugees from the Ogaden, considerably increasing Somalia's food needs. Rainfall in 1979, as in 1978, was inadequate and total agricultural production declined. Grain production in 1979 was down at least 10 percent from 1979. Livestock production also declined as continued fighting with Ethiopia destroyed herds and disrupted grazing patterns. A P.L. 480 Title I agreement was signed in July 1979 for \$10.7 million of wheat or wheat flour, rice, and vegetable oil. Other help is being provided by Canada, Sweden, and the Federal Republic of Germany. Several United Nations agencies are also assisting in meeting emergency needs.

Economic and Financial Situation: Nearly three-fourths of the Somalis are nomads who obtain their livelihood from subsistence herding. The remainder, except for the few urban dwellers, are engaged in settled farming. GNP is estimated to have declined 3 percent in 1978 and 1979. Somalia has had persistent trade deficits, but capital and aid inflows have tended to offset this deficit. However, international aid has decreased significantly since 1978. As a result, international reserves fell sharply to \$44 million in 1979 from \$126 million in 1978.

Import coverage decreased to 10 weeks. Somalia has a large external public debt, almost equal to the GNP. As most of the debt is on concessional terms, the debt-service ratio has been low, but increased somewhat in 1979 to about 16 percent. There were an estimated 210,000 people in the refugee camps in June 1979 but by the end of the year the number had risen to around 500,000. UN officials and other observers agree that the population of Somalia's refugee camps could increase to as much as a million by the end of 1980. The Somalia Government further estimates that for every refugee in camps, one or perhaps two are roaming the countryside. Somalia will continue to be in serious need of external assistance. Problems of economic and physical dislocation arising from the war, and the continued influx of refugees have retarded development and economic progress.

Outlook: Even if rainfall returns to normal, food supplies will be very tight because of the refugees. If the drought continues, food supplies from domestic production will be critically short. Large imports of food aid will be needed in 1980.

Sudan

Summary: Dry conditions at critical points in the growing season reduced food grain yields in 1979. The continued influx of refugees placed additional pressure on food supplies.

Agricultural Production, Consumption, and Trade: Flooding in July 1978 resulted in decreased agricultural production, especially for crops harvested early in 1979. Wheat output was only about half the 1978 crop. Total grain production declined to 2.5 million tons in 1979 from 3.1 million in 1978.

The 1979 rains were normal at the start of the summer rainy season. But as the season progressed, rainfall was less than normal in some locations. Strikes and tie-ups, especially among the Gezira cotton farmers, were expected to affect the current cotton output. This situation may have improved the striking farmers' food supplies because they gave more attention to their food crops to compensate for losses in cotton.

The Sudanese get about half their daily caloric requirements from grain. While sorghum and other coarse grains have been traditional staples for rural Sudan, rapid urbanization and the need for a more convenient form of bread products have rapidly increased the demand for wheat flour. The popularity of wheat bread is spreading to the villages and has even extended to Southern Sudan.

Sudan is self-sufficient in all foodstuffs except wheat. Wheat imports were about 400,000 tons in fiscal 1979, substantially higher than the amounts imported in 1977 and 1978. Wheat production is currently being deemphasized in favor of cotton, so wheat imports are expected to continue at a high level.

Sudan's food needs are inflated by its refugee population, estimated to be the largest of any African country. The refugee population, between 285,000 and 325,000, includes refugees from Ethiopia, Uganda, Zaire, and Chad. Already hard-pressed with its own internal economic problems, Sudan continues to look to the international community for help with the refugees. The United States has made P.L. 480 Title I sales to Sudan for a number of years. A P.L. 480 Title III agreement is planned that will provide 105,000 tons of wheat, but Sudan may need more than this amount of wheat. Over \$300,000 in P.L. 480 Title II commodities for the Eritrean refugees was also scheduled for FY 1979.

Economic and Financial Situation: Sudan has an agrarian economy, with agriculture contributing some 40 percent to GDP and more than 98 percent of the export revenue. It also supplies 90 percent of the raw materials for the country's industry and a large portion of the government's revenues. In addition, it provides over three-quarters of the employment.

Sudan's economy, severely strained during the past several years, will continue to face near-term financial difficulties. The GNP growth rate was estimated to be 4 percent in both 1978 and 1979. The inflation rate in 1979 doubled to about 40 percent, compared with 20 percent in 1978. The trade balance for 1979/80 (July-June) is estimated to show a deficit of \$950 million with exports of \$580 million and imports of \$1,530 million. International reserves reached a 10-year low in October 1979 of \$15 million, but increased sharply to \$81 million as several international and multilateral loans were successfully negotiated. The debt-service payments were estimated to be \$274 million, resulting in a debt-service ratio of almost 50 percent. However, Sudan is making extensive use of International Monetary Fund (IMF) credit facilities and, in November 1979, rescheduled some of its debt-service payments.

Outlook: The 1980 agricultural outlook is for increased production, barring unfavorable weather. Sudan could approach self-sufficiency except for wheat were it not for the refugee problem from neighboring countries. Food aid imports will be necessary in 1980 to meet consumption demand. Inflation will remain high, and the high cost of oil will contribute to an unfavorable balance-of-payments position.

Upper Volta

Summary: Upper Volta had a normal rainy season in 1979, but yields did not equal the good harvest of 1978. Grain production (mostly millet and sorghum) was down from 1.14 million tons in 1978 to 1.05 million tons in 1979. Food imports will be necessary.

Agricultural Production, Consumption, and Trade: The agricultural sector suffers from unfavorable climatic conditions, inadequate water supplies, and poor soil. Upper Volta was one of the hardest hit countries during the prolonged Sahel drought of 1969-74. The crop and livestock sectors are still recovering from the damage sustained. Production of food crops decreased marginally in 1979, continuing the trend of declining per capita agricultural output. Production and export of three of Upper Volta's main cash crops (cotton, livestock, and shea nuts) have been increasing slowly since the end of the drought. Upper Volta must import some food (mostly grain) to ensure adequate supply. The shortfall during 1979 was estimated to be about 20,000 tons. Most imports of food are made under concessional agreements.

Economic and Financial Situation: GNP is estimated to have grown at a rate of 5.8 percent in 1979, compared with 2.2 percent in 1978. Inflation for 1979 ran about 40 percent, up slightly from 1978. Upper Volta's relatively high population density of 25 persons per square kilometer has led to underemployment in the rural areas and migration to the country's towns and to neighboring Ghana and Ivory Coast where there is a demand for labor. Nearly half a million people leave Upper Volta each year in search of work. Most go for seasonal jobs, but between 50,000 and 100,000 stay permanently. In the past, remittances from these workers and French pensions to Upper Volta's military veterans covered the country's chronic trade deficit. Since 1975, the government has met the growing deficit with concessionary loans and drawing down of Central Bank reserves. Upper Volta's balance-of-payments situation will continue to deteriorate. Although prospects exist for an increase in exports of both agricultural goods and minerals, the development projects designed to achieve these improvements are in the early stages. The lack of a transportation system is hampering the development of the economy. The rail link from Ouagadougou to the port of Abidjan requires improvement and extension, as does the road system.

Outlook: It is difficult to assess the prospects for 1980 food production in Upper Volta. The rainy season will not begin until May and small variations in the rainfall will have significant effects on production. The country must rely on international aid to avoid a severe cutback in its level of imports.

East Africa Regional Summary

Of the 16 countries in the East Africa region, only Mauritius with a per capita income of \$830 is classified as a middle-income country. The remaining 15 have an average per capita income of about \$250. Average life expectancy is about 50 years and the average infant mortality rate is about 132 per 1,000 births, which reflects the general poverty and low level of social welfare in the region. Only the Sudano-Sahelian region has a lower average life expectancy and a higher infant mortality rate. The region is still predominantly rural, although several countries--Malawi, Zambia, and Zimbabwe--have substantial urban populations.

Agriculture engages well over half the population in each country, but contributes a smaller relative share to GDP than in the other two Africa regions (tables 15-17). For seven of the East African countries, agriculture's share of GDP is less than 50 percent. Copper, diamonds, and gold mining are also important to the economies of several of these countries, particularly Zambia and Botswana.

Table 15--East Africa: Total grain production, net imports, and per capita availability 1/

Country	Production			Net imports			Per capita availability 5/		
	1979/80	1970-79	Variation	1979/80	Share of	From	1979/80	1972/74-	Variation
	forecast	trend 2/	3/	forecast	consumption	United States	forecast	trend	3/
	1,000			1,000			Kilograms		
	- metric tons -	- Percent -	-	- metric tons -	- Percent -	-	- per capita -	- Percent -	-
Low income:									
Burundi	312	315	-0.7	2.7	NA	NA	81	76	-1.2
Kenya	2,435	2,055	2.3	11.6	-93	1	169	162	4.3
Madagascar	1,303	1,387	-7	2.7	163	11	NA	NA	NA
Malawi	1,400	1,450	2.9	12.4	10	-15	222	226	3.8
Mozambique	313	573	-8.4	19.4	377	225	71	80	10.8
Rwanda	348	350	.1	6.0	NA	NA	76	74	4.0
Tanzania	2,672	2,510	2.1	11.0	112	120	162	155	2.5
Uganda	1,380	1,050	-4	8.6	NA	NA	108	80	10.8
Zambia	620	1,036	.1	20.1	325	275	203	228	9.3
Zimbabwe	1,710	1,310	.1	23.5	-90	-140	232	163	17.1
Middle income:									
Mauritius	--	--	NA	NA	170	150	185	161	8.0
Total	12,493	12,036	--	--	974	746	--	--	--

NA = Not available.

-- = Not applicable.

1/ Excluding Botswana, Comoros, Lesotho, and Swaziland.

2/ Trend growth rate in production based on calendar year.

3/ Variation is calculated as a coefficient of variation from trend.

4/ Share of total imports from the United States.

5/ Trend growth rate is per capita grain availability based on statistics in appendix table 1.

Sources: Foreign Agricultural Service; and Economics, Statistics, and Cooperatives Service.

Table 16--East Africa: Economic and financial indicators 1/

Country	Real GNP growth rate		Trade balance/exports		Import coverage		Debt/GNP		Debt-service ratio		Commodity concentration ratio 1976-78 average
	1976-78 : average	1979	1976-78 : average	1979	1976-78 : average	1979	1975-77 : average	1978	1976-78 : average	1979	
	Percent		Percent		Weeks		Percent		Percent		
Low income:											
Botswana 2/	6.7	4.0	-41	-13	20	32	58	26	3	3	85
Burundi	6.0	3.0	-7	-13	53	45	6	11	4	4	93
Kenya	4.7	4.0	-33	NA	16	NA	18	22	8	NA	63
Lesotho	3.8	6.0	-1,024	NA	3	NA	6	8	3	NA	55
Madagascar	.3	0.5	6	NA	7	NA	10	13	4	NA	59
Malawi	6.8	6.5	-25	-35	12	12	36	39	9	14	79
Rwanda	6.8	4.0	-27	-12	35	49	8	11	1	1	88
Tanzania	4.1	3.0	-72	NA	11	NA	31	28	7	NA	55
Uganda	1.2	-2.0	30	-20	16	19	7	6	2	9	94
Zambia	.7	2.5	23	-26	5	6	53	60	20	26	96
Middle income:											
Mauritius	4.5	6.5	-44	NA	9	NA	9	20	2	NA	74

NA = Not available.

1/ 1979 figures are estimates or projections. Data for Comoros, Mozambique, Swaziland, and Zimbabwe are not available. See glossary for explanation of indicators.

2/ 1979 figures are January-June only.

Sources: World Bank; International Monetary Fund; U.S. Central Intelligence Agency.

Table 17--East Africa: Total and U.S. food aid, fiscal year 1979 1/

Country	U.S. food aid													
	Total food aid	P.L. 480		Title II aid, by program										
		Title I	Title II	Developmental					Emergency					
				Maternal-child feeding	School feeding	Other child feeding	Food for work	Refugee	Disaster	General relief				
	Metric tons													
Low income:														
Botswana	--	--	750	89,000	--	--	--	--	--	--	--	--	--	
Burundi	--	--	5,124	30,000	53,000	5,000	28,000	--	--	--	--	--	--	
Comoros	2,572	--	--	--	--	--	--	--	--	--	--	--	--	
Kenya	16,005	--	1,555	105,000	--	18,000	15,000	--	--	--	--	--	--	
Lesotho	--	--	16,442	297,000	180,000	--	257,500	--	--	--	--	--	--	
Madagascar	--	--	--	68,000	16,000	--	9,800	--	--	--	--	3,000	--	
Malawi	17	--	530	--	--	--	72,000	--	--	--	--	--	--	
Mozambique	46,600	15,680	37,910	--	--	--	--	160,000	218,000	--	--	--	--	
Rwanda	1,300	--	2,470	40,800	14,000	1,700	12,000	--	--	--	--	2,700	--	
Swaziland	--	--	40	--	90,000	--	--	--	--	--	--	--	--	
Tanzania	21,992	--	9,497	90,000	30,000	25,000	204,000	--	--	--	--	1,000	--	
Uganda	--	--	--	--	--	--	--	--	--	--	--	--	--	
Zambia	52,000	52,380	10,380	70,000	--	--	14,000	1,200,000	--	--	--	--	--	
Zimbabwe-Rhodesia	--	--	--	--	--	--	--	--	--	--	--	--	--	
Middle income:														
Mauritius	--	--	--	70,000	--	--	--	--	--	--	--	--	--	
Total	140,086	68,060	84,698	859,800	383,000	49,700	612,300	1,360,000	218,000			6,700		

-- = Not applicable

1/ Discrepancies between total food aid and P.L. 480 are due to different reporting systems. Commodities given as food aid are converted into metric tons.

Sources: Food Aid Bulletin, various issues, Food and Agriculture Organization; U.S. Department of Agriculture; and 1979 Annual Report on P.L. 480, Office of Food for Peace, U.S. Agency for International Development (to be published).

Regional food production has suffered from both poor weather and war among neighboring countries. The fighting in Zimbabwe has disrupted the agricultural economy in that country as well as in Mozambique and Zambia. War broke out between Tanzania and Uganda in 1979 and Kenya was also affected by the fighting. This regional fighting has particularly affected marketing and distribution channels so that while grain production may have increased in a country, food shortages were frequent. Madagascar, Mozambique, and Uganda showed a declining trend in grain production for 1970-79. Malawi showed relative political stability and sustained growth in grain production. Several countries, including Uganda and Zimbabwe, have the potential to increase agricultural production. But sustained increases in output will not occur until some measure of political stability has been achieved in the region.

The economic situation in East Africa has also been affected adversely by the continued fighting and political instability in the region. Economic growth rates in 1979 for most countries were generally lower than the 1976-78 average. Both Mozambique and Uganda experienced negative economic growth in 1979.

The region has been characterized by persistent trade deficits. However, Uganda and Zambia showed a trade surplus, and Madagascar experienced a trade balance for 1976-78. These surpluses were due more to a lack of foreign exchange to finance imports than to strong export performance. Each country has a high commodity concentration ratio (each depends on the export of only a few commodities to provide foreign exchange). This is particularly true for Zambia (copper) and Rwanda and Burundi (coffee).

International reserves and import coverage have been low for several countries, including Lesotho, Madagascar, Tanzania, and Zambia. The smaller countries, Botswana, Burundi, Rwanda, and Swaziland, must maintain a high level of reserves because it is difficult for them to obtain import financing.

Botswana, Malawi, and Zambia have large levels of external public debt relative to GNP. However, most countries have borrowed on concessional terms from foreign governments and international organizations. Therefore, debt-service payments have not been large and the debt-service ratios have been low, generally less than 10 percent. Zambia is an exception since much of its external borrowing has been from the private sector. This means the repayment terms are higher and the length of maturity shorter than for debt obtained on concessional terms.

Nine of the 16 countries in this region were food aid recipients in 1978 or 1979. The largest recipients were Kenya, Lesotho, Mozambique, Tanzania, and Zambia. The United States provided P.L. 480 Title I and II aid to Mozambique and Zambia and Title II aid to seven other countries. Forty-three percent of U.S. food aid to the region was provided under Title I and 57 percent under Title II.

Botswana

Summary: Total agricultural production increased in 1979, but grain production decreased because of drought in early 1979. Large grain imports are expected in 1980.

Agricultural Production, Consumption, and Trade: Botswana was hit by a drought in early 1979 and its grain production dropped to low levels. Overall agricultural and food production, however, increased nearly 11 percent in 1979. Grain imports during 1980 are expected to reach high levels and may exceed domestic grain production. Corn production dropped sharply in 1979 and imports could reach 75,000 tons. Reduced sorghum production means that sorghum imports during 1980 are likely to exceed 20,000 metric tons and wheat flour imports may be higher. Botswana is self-sufficient in pulses. Botswana's grain production per capita is at a low level--about 100 kilograms--and per capita net grain imports are nearing 100 kilograms. Adequate grain supplies are available for purchase from South Africa at commercial prices, but food sup-

plies in Botswana have been low for many years. Average daily per capita consumption for 1975-77 was 2,070 calories.

Economic and Financial Situation: Per capita GNP is \$620, high for Africa. Forty percent of the wage labor force works in South Africa. The GNP growth rate in 1979 was estimated at 4 percent, compared with 5 percent in 1978, and inflation was about 15 percent. High costs of food and energy imports contributed to the slowdown in economic growth. The trade balance for the first half of 1979 showed a surplus of \$26 million because of increased export volume of beef and diamonds. As a result, international reserves as of June 1979 were \$223 million, a 46-percent increase over 1978. Import coverage increased to 32 weeks with the increase in reserves. Outstanding external public debt was estimated at \$128 million in 1979, a 5-percent increase over 1978. The debt-service ratio remained low at 3 percent.

Outlook: Although the rains and crop conditions in early 1980 were satisfactory in Botswana and the outlook for grain crops is good, food supplies will be tight, particularly in rural areas. Grazing conditions have improved. Unemployment is high. The government has accepted the responsibility to provide grain to those rural and urban populations which do not have money to buy it. Food aid programs are in operation and external assistance is involved. These programs may have to be continued for an extended period of time.

Burundi

Summary: Heavy rains in early 1979 damaged some crops, but generally favorable weather allowed production to recover. Burundi is isolated geographically and importing food is prohibitively expensive. Barring bad weather, Burundi can provide for its minimum food needs.

Agricultural Production, Consumption, and Trade: Heavy rains in the first half of 1979 damaged the corn and bean crops, but increases in sweet potatoes and plantains brought total food production to about the same level as in 1978 (4.3 million tons). Food is too expensive to import due to the cost of transportation. Hence, Burundi depends totally upon its domestic production. Levels of government and private stocks are not known.

Economic and Financial Situation: The GNP growth rate in 1979 was estimated at less than 3 percent, compared with 4.5 percent in 1978. The trade balance showed a deficit of \$13 million, with projected exports of \$89 million and imports of \$102 million. Burundi depends almost entirely on export earnings from coffee and cotton for foreign exchange. As a result of the decreased trade deficit, international reserves increased slightly to \$90 million, a \$9-million increase over 1978. Import coverage has been high and reached 45 weeks in 1979. External public debt has more than doubled since 1976, but most has been contracted on concessional terms so the debt-service ratio has remained low, averaging only 4 percent for 1976-78. Debt-service payments were projected to increase in 1979, but the debt-service ratio remained low at only 4 percent due to increased exports. There is no reported private debt in Burundi.

Outlook: If recent upward production trends continue, Burundi can maintain food self-sufficiency. However, the land/population ratio is reaching the limit and continued increased production may not be possible. Population pressure combined with adverse weather could cause a serious food shortage.

Kenya

Summary: Agricultural production in Kenya has declined recently due to both weather and lack of agricultural inputs. Lack of production credit, high fertilizer prices,

and poor distribution were major problems in 1979. High rates of population growth have also placed pressure on food supplies.

Agricultural Production, Consumption, and Trade: Kenya's agricultural production changed little in 1978 and 1979. Excessive rains in early 1979 damaged some crops while end-of-the-year rains were below normal. Kenya's total grain production in 1979 was estimated at about 2.3 million tons. Total corn production in Kenya in 1979 was estimated at 1.6 to 1.9 million tons, down about 25-30 percent from the record 1977 crop and below estimated consumption requirements. Corn takes up about 50 percent of Kenya's arable land and provides about 75 percent of the nation's grain consumption. Reduced area as well as yields were factors in the poor crop for 1979. Corn imports are likely in 1980, the first time since 1972. Wheat production in 1979 was also the lowest since the early sixties. Fertilizer prices were high and supplies were undependable in 1979. Part of Kenya's food problem is due to the food shortages in Uganda. Foods such as wheat flour, corn flour, sugar, and milk are smuggled from Kenya to Uganda.

Record-large wheat imports approaching 120,000 tons may be needed in 1980. Food aid commitments have been made by Australia, Canada, the World Food Program, and the United States. The poor performance in per capita food production is related in part to a high growth rate of about 4 percent. This rate appears to be increasing. The population pressure on land is high and urban migration is strong.

Economic and Financial Situation: Kenya remains highly dependent on coffee and tea exports for foreign exchange. The 1979 coffee crop was the smallest in several years although coffee prices did rise somewhat in 1979. Export prices for these commodities were not strong during 1978 and 1979. Much of Kenya's foreign exchange is required to import crude oil. The lower foreign exchange earnings due to a poor coffee crop plus sharp price increases for imported oil squeezed Kenya's external reserves. About one-third of the earnings in 1979 were required to import oil. The adjustment to less imported oil and other inputs has been difficult. Real GNP growth probably dropped in 1979 to less than 4 percent from the 4.5-percent rate of 1978, because of restrictions placed on imports. Inflation is expected to be over 15 percent in both 1979 and 1980. External public debt averaged about 20 percent of GNP for 1976-78 and has increased steadily since 1976. Debt-service payments have remained low but increased sharply in 1978. Most of the debt is from international organizations and foreign governments.

Outlook: The supply of domestic food in Kenya in 1980 will depend upon good weather, price incentives, and availability of fertilizer supplies. Only modest increases in food production are expected. Substantial food aid imports will be needed in 1980. High population growth rates and low agricultural productivity imply substantial import needs in the early eighties.

Madagascar

Summary: Production of rice, the main staple, has been low the last 2 years because of drought. Limited imports, due partly to a lack of foreign exchange, contributed to shortages of rice.

Agricultural Production, Consumption, and Trade: Production of rice, the most important crop and source of more than half the calories in the diet, was about the same in 1978 and 1979. In both years, drought caused the 25-percent decline below the expected production of 2.2 million tons. Poor rice production in recent years is also due to lack of price incentives to producers and an inefficient state marketing monopoly. Production of other food crops--cassava, corn, sweet potatoes, peanuts, and lima beans--also decreased because of drought. Production of export crops--coffee, cloves, and sugar--changed little. Madagascar is the world's leading producer of vanilla, but production has decreased because of competition from synthetics and low producer

prices. The sharp rise in vanilla price to \$45 per kilo in early 1979 may have reversed this downward trend.

Shortages of rice and peanut oil occurred in 1978 and 1979. Only 150,000 tons of the needed 250,000 of rice were imported in 1978. There may have been as much as 150,000 tons of rice imported in 1979. Vegetable oil imports came to about 15,000 tons.

Economic and Financial Situation: Agriculture contributes 40 percent of GDP, and agricultural products account for 80 percent of the value of exports; 85 percent of the population depends on agriculture for a living. The GNP growth rate in 1979 was estimated at 0.5 percent, compared with -2 percent in 1978. The inflation rate was 8 percent, about the same as in 1978. The trade balance showed a deficit of \$57 million in 1979, due partly to large rice imports. As a result, international reserves decreased the first half of 1979, but climbed to \$63 million by August, a 7-percent increase over 1978. External public debt increased 72 percent from 1978 to 1979. In 1979, it reached \$436 million. The debt-service ratio has been low, averaging about 4 percent for 1976-78, but it increased sharply in 1979. Madagascar depends on the export of cloves, vanilla, and coffee, and export receipts are affected by price fluctuations.

Outlook: The 2-year drought was broken by heavy rains in early 1980. If rain damage is light, rice production is expected to reach predrought levels and ease the shortages. Government capital expenditures on agriculture and development of new rice lands should also increase food supplies in 1980.

Malawi

Summary: Dry conditions held the corn crop, the main staple, below expectations. Malawi's stable, growing economy has nearly reached food self-sufficiency. Malawi does not depend upon food imports.

Agricultural Production, Consumption, and Trade: Malawi's overall agricultural production in 1979 will be about equal to that of 1978. A drought early in 1979 reduced the current-year corn crop to an estimated 1.1 million tons. However, the record crop harvested in 1979 permitted a buildup of stocks. Malawi has neither imported nor exported large amounts of corn since 1970. Small amounts of sorghum, wheat, and rice are also consumed. Wheat is the major agricultural import. Sorghum production was down in 1979, but rice production has been increasing slowly. Domestic consumption of rice is low and surpluses are exported, mainly to neighboring countries. While major grain and tea production declined, tobacco, cotton, and sugar production increased. With the involvement of an international financial institution, a new sugar plantation and mill was established in the late seventies, and sugar has become a major export.

Malawi is one of the relatively few African countries having a caloric supply somewhat above the estimated African requirement. While its food supply is relatively adequate, Malawi's per capita food production dropped during 1976-78 compared with 1973-75.

There is potential for increasing food production. Investment and services to agriculture continue to grow, and the administration is effective. Small farmers continue to increase production and marketable surpluses. Migration to urban centers has not been a major problem. Food shortages will probably be the exception rather than the rule. Modern food storage facilities are being built.

Due to the flooding at Lake Malawi, 4,000 families are receiving World Food Program emergency food assistance until the May 1980 harvest. The country does not have any large-scale food aid programs.

Economic and Financial Situation: With a per capita GNP of only \$180 in 1978, Malawi is one of the poorest countries in Africa. The country has few natural resources ex-

cept good land and water supplies, but it has used relatively small amounts of external assistance effectively. The country, politically stable, had an annual growth rate of 6-7 percent in 1976-79. Agriculture remains the major economic activity and agricultural products--tobacco and sugar--are the major exports.

Malawi is experiencing both a trade deficit and a negative balance of payments. Increased expenditures for imported oil are a major factor. Import restrictions have been imposed which may slow economic growth.

The trade balance shows a projected deficit of \$80 million due to exports of \$227 and imports of \$307 million. In the 12-month period ending in May 1979, Malawi experienced export shortfalls due to a combination of price and production factors. As a result, international reserves decreased to \$69 million, an 8-percent decrease over 1978. Import coverage remained somewhat low at about 12 weeks. External public debt averaged 36 percent of GNP for 1976-78. The debt-service ratio was projected to increase over the 1978 level to 14 percent. Malawi is currently seeking International Monetary Fund credit to help finance the export shortfall. If transportation in the region improves due to the political settlement in Zimbabwe, Malawi's economy should also be given a boost. The poor external transport situation has caused severe fuel shortages within the country.

Outlook: Should Malawi have good weather and should transportation be improved by settlement of the Zimbabwe strife, Malawi could enjoy record crops and economic growth. The construction of modern facilities will provide storage for food crops in excess of domestic needs. Malawi is not expected to need food imports or food aid in significant quantities.

Mozambique

Summary: Independence of Mozambique in 1975 and the resulting exodus of expatriate farmers and traders threw the economy into disarray. Production of major food crops declined in 1979 and domestic food needs must be met with imports. The economic and financial situation has suffered due to the fighting in Zimbabwe.

Agricultural Production, Consumption, and Trade: After independence, the commercial farms were abandoned by their expatriate owners and machinery was sabotaged. Production dropped sharply and the farms were taken over by the state. Despite great effort and help from Scandinavian and other technicians, production of sugarcane, cotton, rice, and peanuts has not reached former levels. The subsistence production of the two staple foods, cassava and corn, was less affected by the disruptions, but the disappearance of the thousands of small expatriate traders who marketed the surpluses grown on the subsistence farms reduced the food supply to the urban areas.

A drought in virtually all major production areas reduced the harvest of corn and cassava in 1979. Cashew nuts gathered from millions of trees that grow wild in the coastal lowlands have historically been Mozambique's largest export. Production in 1978/79 was estimated at only 70,000 tons, but may actually have been much lower, despite government efforts to offer a wide range of consumer goods for sale to the pickers as an incentive. Shortages of food and long lines at the stores are still common. The reasons were an increase in the population's buying power, significant changes in eating habits, difficulties in transporting food, contraction of the commercial marketing network, and decreases in production. Commercial grain requirements are currently about 400,000 tons annually. About 267,000 tons of this had to be imported in 1979. If 1980 turns out to be a more normal weather year, import requirements may only reach 200,000 tons.

Economic and Financial Situation: Mozambique has a population of 12 million with an annual growth rate of 3 percent. Agriculture provides the livelihood for 90 percent of

the population and accounts for 50 percent of exports and 25 percent of GDP. The economy has declined steadily over the past several years. GNP was estimated to have declined by 5 percent in both 1978 and 1979. The country has had large trade deficits as imports have steadily increased and exports have fluctuated. For years, Mozambique received foreign exchange for rail and port services from Zimbabwe and South Africa. The closing of the border with Zimbabwe substantially reduced these earnings. If peace comes to Zimbabwe, earnings from this source should reach and ultimately exceed former levels. Another source of foreign exchange has been payments received from Mozambians working in the South African mines. The number of miners has diminished and South Africa is no longer making the payments in gold. Hence, this source of foreign exchange has declined.

Outlook: As its economy recovers from the loss of expatriate farmers and traders, Mozambique's food production can be expected to increase to near self-sufficient levels. The need for food imports will depend upon weather conditions in 1980 and the success of government programs in transportation, marketing, and agriculture. Mozambique is currently receiving aid from a wide range of donors and will continue to require external financial assistance to rebuild its economy.

Rwanda

Summary: Rwanda's geographic isolation makes food imports and exports economically impractical. Domestic production just meets consumption needs under normal weather conditions. Food production in 1979 was at normal levels.

Agricultural Production, Consumption, and Trade: The main bean crop harvested in April 1979 was average. Second season plantings (mainly sorghum and corn) were normal. Beans, sorghum, sweet potatoes, cassava, and potatoes are the main food crops. Bananas, used primarily for brewing a traditional beer, are the chief cash crop marketed locally. Total grain production was down slightly in 1979 compared with 1978. Arabica coffee is the most important cash crop for export. Coffee production was 25,000 tons in 1979 and will earn about \$100 million in foreign exchange. Tea production exceeded 7,000 tons and will earn about \$12 million.

Average farm size is barely 1 hectare, 40 percent lower than in 1953. A significant and increasing number of the younger generation is without land. Government policy is to intensify food production on existing cropland. Although area planted has increased more than 30 percent and about one-third is double-cropped, nutritional standards have declined since 1965 because of increased population. When the weather is normal, there is barely enough food. Any substantial drop in food production makes outside aid necessary. Rwanda's isolation, 1,000 miles from the sea, makes food imports expensive.

Economic and Financial Situation: Although remaining one of the world's poorest, the Rwandan economy has made encouraging progress in recent years. High world prices for tea, tin, and tungsten, and rising coffee prices, have improved the terms of trade. GDP increased to about \$190 per capita, an important accomplishment for this densely populated country of 4.6 million people. The GNP growth rate in 1979 was estimated to be 4 percent, compared with 6.5 percent in 1978. The inflation rate was 15 percent, about the same as in 1978. The 1979 trade balance was forecast to show a deficit of \$17 million with exports of \$146 million (coffee, 70 percent of total) and imports of \$163 million. This was a smaller deficit than 1978 and international reserves increased to \$152 million from \$88 million, a 73-percent increase. As a result, import coverage increased to 49 weeks. However, Rwanda must maintain a high level of reserves as it is difficult for the country to obtain import financing. External public debt amounted to about 11 percent of GNP in 1978. The debt-service ratio remained low at 1 percent as most foreign assistance has been in the form of grants or concessional loans.

Outlook: Population-land pressures are severe in Rwanda. Any deterioration in weather conditions will mean food shortages and necessitate food aid imports. The challenge for Rwanda is to make the most of the favorable conjunction of trade and political developments to provide a base for long-term economic growth.

Tanzania

Summary: Grain production declined in 1979, but the reduction was due more to bottlenecks in the marketing structure than to weather. Lack of fuel and trucks was the main problem.

Agricultural Production, Consumption, and Trade: Tanzania's grain production dropped about 5 percent in 1979. The weather was considered normal but heavy rains and flooding caused some damage. Harvesting problems became severe late in the year. The National Milling Corporation, the government buyer, had many marketing bottlenecks, including poor roads, lack of vehicles, fuel shortages, lack of funds, and a shortage of gunny sacks.

Corn is Tanzania's largest grain crop, and production during 1979 was estimated at about the same as 1978. Supplies could become short in 1980. Tanzania was expected to export 40,000 tons to Zambia during 1979. With increased corn flour sales from government stores during 1979, stocks are down compared with the end of 1978. Paddy rice production in 1979 was down almost 25 percent as heavy rains during the first half of the year damaged crops. Imports during 1980 could reach record levels of about 75,000 tons. Rice remains a major agricultural import. Shortages of rice, wheat, and corn have recently been reported in urban areas. Wheat production was likely higher in 1979 but import requirements could be as high as 60,000 tons in 1980. Wheat aid is being received from Canada and Australia and has been requested from the United States. While grain production was down, coffee, tea, cotton, and sugarcane production was up in 1979, and overall agricultural production may have increased about 1 percent above 1978.

Economic and Financial Situation: Tanzania's economic growth has been slowing since 1977, and the 1978/79 war with Uganda further disrupted the economy. The GNP growth rate in 1979 was estimated at 3 percent, compared with 3.5 percent in 1978. The inflation rate was 25 percent compared with about 12 percent in 1978. Agriculture remains the prime earner of foreign exchange. The international price outlook for coffee and cotton, the major exports, is reasonably favorable. International reserves as of November 1979 were \$78 million, a \$22-million decrease over the end of 1978. Import coverage declined sharply to only 1 month in 1978 and imports have been reduced. An increased share of foreign exchange is being used for oil and defense (due mainly to the 1978/79 war with Uganda). This has reduced imports of materials needed by industry, transport, and commercial agriculture. Tanzania and the International Monetary Fund (IMF) have not reached an agreement on economic policy measures necessary for the IMF to provide financing assistance. About one-third of the 1979/80 development expenditures are expected to be covered by external grants, but private foreign investment has not been major. Although external public debt has been increasing, the debt-service ratio on long-term debt has remained low, averaging about 7 percent for 1976-78. Several countries have cancelled a sizable portion of Tanzania's external public debt since 1978.

Outlook: Tanzania's food needs will not likely be met by domestic production in 1980. Food imports, especially rice and wheat and possibly corn, will be necessary. Tanzania's 5-Year Plan calls for food self-sufficiency by 1981-82. But it remains to be seen whether the country can acquire the resources needed to substantially increase food production. Subsistence-type food production, which is less dependent on costly

imported inputs such as oil, could increase, but transport and energy constraints are seriously hindering the development of commercial agriculture.

Uganda

Summary: Recent civil strife and continuing internal security problems have reduced agricultural production. Supplies are tight and prices are high. Little food has moved through official channels and food shortages have been reported in many areas.

Agricultural Production, Consumption, and Trade: Uganda is currently experiencing abnormal and apparently increasing food shortages, especially in urban areas and in the northern and eastern parts of the country. Food prices are high in urban areas. First season plantings early in 1979 were disrupted by the war and rains were insufficient for the second-season plantings. Uganda's agricultural production dropped in 1979 with few if any products, showing an increase in production. Smuggling of basic foods from Kenya was reported common in 1979, as was the smuggling of cash crops out of Uganda. At least 113,000 tons of grain and beans are required as food aid up to mid-1980, according to FAO. Transport assistance is needed to move the food, some of which is required for refugees. Food aid has been underway for a number of months, and FAO has provided seeds for food crops as well as vaccines to reduce losses in animal production.

Economic and Financial Situation: Uganda's economy, already weak, was further disrupted in 1979 by the war with Tanzania. Production, transportation, and exports suffered. Real GDP dropped sharply and inflation increased to an annual rate of over 50 percent. The projected trade balance in 1979 showed a deficit of \$62 million with exports of \$306 million and imports of \$368 million. This compares with a deficit of \$29 million in 1978. The volume of coffee exports in 1979 was lower than 1973, but higher prices contributed to increased export revenue. Early in January 1980, the International Monetary Fund approved credits of up to SDR 37.5 million to Uganda, partly to make up for the export shortfall.

Some progress has been made by the new government in restoring the economy. The country has received both bilateral and multilateral aid pledges. However, increased aid will be needed both to finance imports and to help repair the war-damaged economy.

Outlook: Security in the country remains poor, although conditions have improved over 1979. Transportation facilities remain inadequate. A rapid increase in commercial agriculture is not expected. If the internal situation returns to normal, food production will likely increase. But dry conditions in late 1979 have decreased expectations. Food aid will be needed to avert serious shortages.

Zambia

Summary: Drought conditions in 1979 affected Zambian agriculture, and the strife in Zimbabwe caused shortages of agricultural inputs. Food supplies are tight and imports of food aid are needed to meet domestic needs due to the serious external financial difficulties.

Agricultural Production, Consumption, and Trade: Corn, millet, and sorghum production were all down during 1979 in Zambia, partly due to a drought early in 1979. Corn, the major food and cash crop, occupies about 20 percent of the arable land. However, record-large imports of corn are required. U.S. food aid has a large role, and imports have included corn from Tanzania, South Africa, Malawi, and Kenya. Depending on the arrival of imported corn, stocks could drop to low levels before the 1980 harvest is delivered to the National Agricultural Marketing Board in June. Almost all the wheat must be imported; during 1980, wheat imports could hit a record 150,000 tons, including about 20,000 tons from the United States.

Drought reduced grain harvests during 1979. But, Zambia's agriculture faces more long-term constraints. Road and rail facilities are inadequate, and this landlocked country has suffered from poor and erratic transport services to seaports. This problem has affected the agricultural sector directly through delays in fertilizer shipments arriving from overseas. Zambia's access to the sea will be greatly improved with the settlement of civil strife in Zimbabwe.

Economic and Financial Situation: The economy has been virtually stagnant since 1976. The GNP increased only 2.5 percent in 1979. Inflation continues at about 25 percent a year. Zambia's financial difficulties have been a factor in shortages of imported spare parts required for the transport system as well as in poor availability of farm inputs such as seed to farmers. Zambia depends heavily on copper export revenues. Low copper prices, which increased in 1979, have been a factor in the low growth rates. Zambia has a large external debt of about \$1.5 billion and debt-service payments have been increasing steadily. Labor has been attracted to the cities and mines by relatively high wages. This contributes to reduced farm output while unemployment is high in urban areas. With its urban population about 34 percent of the total in 1975, Zambia had become relatively urbanized before its indigenous agriculture had developed to any significant extent. The government is considering measures to reduce this flow to the urban areas.

Outlook: The Zambian agricultural and financial situation is expected to experience an upturn with the return of peace in Zimbabwe. Good weather and the elimination of transportation bottlenecks could spur production. However, record food imports will be necessary in 1980.

Zimbabwe

Summary: Food production in 1979 was barely sufficient for domestic needs. Food supplies in some tribal areas were low while other areas had a surplus. Distribution problems due to civil strife were critical.

Agricultural Production, Consumption, and Trade: Agricultural production has dropped since 1976. Zimbabwe corn crop declined about 35 percent in 1979, in large part due to the early 1979 drought. While 1979's production was hardly sufficient for domestic needs, corn stocks may be adequate to make up the shortfall. Corn exports of between 100,000 and 200,000 tons per year, mainly to neighboring countries, were common during the seventies. Self-sufficiency in wheat production was achieved a few years ago. The cattle industry has been substantially reduced by the war, mainly through stock theft and a breakdown in disease control.

The total supply of calories per capita was one of the highest in Eastern and Southern Africa and is estimated at about 6 percent above the African requirement. However, food production per capita during 1976-78 dropped compared with previous years. One factor is the high rate of population growth, about 3.3 percent per year. In 1979, the food supply situation in tribal areas, due to the drought and warfare, was described as poor although some areas had surplus corn. The country has achieved a large degree of self-sufficiency in agriculture. Besides tobacco and corn exports, it also exports meat, cotton, sugar, and peanuts. However, there are questions as to how this agricultural structure will fit into policies and plans of the new government that will take shape after the elections.

Economic and Financial Situation: Zimbabwe's economy has been stagnant since 1974. Per capita GNP declined from \$520 in 1974 to \$480 in 1978. Favorable export prices in 1979 for gold, copper, and nickel contributed to a trade surplus of about \$270 million, despite the poor agricultural year. This shows that the economy has a fair balance and does not overly depend on the agricultural sector. Agriculture must, however, be con-

sidered the key sector. Net capital inflows are believed to have increased during 1979 so that a small surplus in current and capital accounts was maintained.

Real income per capita declined further in 1979. It is expected that the terms of trade should improve in 1980 with the lifting of sanctions. It is likely to take several months before transport to the seaports in Mozambique is restored to previous levels.

Outlook: Zimbabwe is one of the few African countries with potential to be a grain exporter in 1985, although corn exports are not expected to reach the same levels as previous years. Drought again appeared in 1980. A serious shortage of ammonium nitrate fertilizer may reduce the size of the corn crop and corn may have to be imported. The outlook for 1980 is cloudy and will remain so until the elected government's policies are known and security in rural areas is assured.

West and Central Africa Regional Summary

The 16 countries in West and Central Africa display a wide diversity in their agricultural and economic situations. This region has a higher average per capita income than the other two regions in Sub-Saharan Africa; Nigeria and the Ivory Coast are well above the regional average. Average life expectancy is higher and the infant mortality rate is lower than in the Sudano-Sahel and about the same as in East Africa. The urban population is fairly large in several countries, comprising about a quarter of the population in Cameroon, the Congo, Ghana, Liberia, Senegal, and Zaire. The agricultural sector does not contribute as large a relative share to GDP as in many African countries--a regional average of about 30 percent--although agriculture employs one-half to three-quarters of the population. The mining sector is important in Sierra Leone, Zaire, Congo, and Guinea. The main economic activity in Nigeria, the largest country in the region in population and GNP, is oil production. Cash crops, particularly groundnuts, coffee, and cocoa, are important in Cameroon, Gambia, and Senegal.

Although West and Central Africa have not had the poor weather and civil strife that have disrupted both East Africa and the Sudano-Sahel, recent progress in agricultural production has not been encouraging. Total grain production for the region was better in 1979 than 1978, but domestic production was generally not sufficient to cover needs (tables 18-20). Only Cameroon appears to be nearly self-sufficient in food production, although food imports are necessary for its growing urban population. Grain imports comprised a substantial share of total grain consumption in 1979, ranging from 13 percent in Nigeria to almost 50 percent in Gambia. Per capita food production has been declining in every country, except the Ivory Coast. Annual average growth in grain production during 1970-79 has been low or declining for each country and wide variations in annual production have also been prevalent.

Except for Nigeria, the economic and financial positions of these countries are poor. Economic growth rates generally improved in 1979 from 1978, partly because of the increased agricultural production, but the average growth rate for 1976-78 was low or stagnant for most countries. Only Nigeria, Ivory Coast, and Cameroon showed steady economic growth. Most countries are characterized by trade deficits which result partly from dependence on only a few export commodities. Export revenues tended to fluctuate and import costs, particularly petroleum, continued to increase. As a result, foreign exchange and import coverage are low for most countries.

Many countries have large external debt. Although countries have contracted this debt on concessional terms, Zaire, Guinea, and the Congo have large debt service payments. The combination of increasing food imports and declining foreign exchange earnings has seriously strained the economies of many countries in this region.

Table 18--West and Central Africa: Total grain production, net imports, and per capita availability 1/

Country	Production			Net imports			Per capita availability 5/				
	1978/79 : forecast	1979/80 : trend 2/	Variation : 3/	1978/79 : forecast	1979/80 : forecast	Share of consumption : 1978/79	From United States : 4/	1978/79 : forecast	1979/80 : forecast	1972/74- : 1978/79 : trend : 5/	
	1,000 metric tons	-	Percent - -	1,000 metric tons	-	Percent - -	-	Kilograms per capita	-	Percent - -	
Low income:											
Benin	265	200	-1.5	40	35	13	0	90	68	-3.6	
Cameroon	750	740	2.4	80	150	10	0	123	129	3.1	
Gambia	23	39	-4.2	35	35	60	0	197	134	10.8	
Ghana	540	565	1.0	332	189	38	14	97	99	-1.2	
Guinea	340	356	1.2	55	80	14	45	84	91	5.3	
Guinea-Bissau	23	26	2.8	15	15	39	0	70	75	-3.9	
Liberia	174	181	3.7	55	60	24	NA	136	136	5.2	
Nigeria	9,038	9,164	1.8	1,760	1,415	17	51	155	150	5.9	
Senegal	925	718	4.3	370	355	31	7	222	207	4.0	
Sierra Leone	343	337	2.2	43	103	10	92	118	132	4.7	
Togo	117	120	-1.1	0	0	0	0	49	49	-2.8	
Zaire	636	641	3.7	281	386	30	54	40	44	1.9	
Middle income:											
Ivory Coast	597	600	3.1	347	407	36	15	130	131	9.1	
Total	13,771	13,687	--	3,413	3,230	--	--	--	--	--	

NA = Not available.

-- = Not applicable.

1/ Excluding Congo People's Republic, Equatorial Guinea, Sao Tome, and Principe.

2/ Trend growth rate in production based on calendar year.

3/ Variation is calculated as a coefficient of variation from trend.

4/ Share of total imports from the United States.

5/ Trend growth rate in per capita grain availability based on statistics in appendix table 1.

Sources: Foreign Agricultural Service; and Economics, Statistics, and Cooperatives Service.

Table 19--West and Central Africa: Economic and financial indicators 1/

Country	Real GNP	Trade balance/	Import	Debt/GNP	Debt-service	Commodity					
	growth rate	exports	coverage		ratio	concentration					
	1976-78 : average	1976-78 : average	1976/78 : average	1975/77 : average	1976-78 : average	1976-78 : average					
	Percent	Percent	Weeks	Percent	Percent	Percent					
Low income:											
Cameroon	4.3	-21	NA	3	NA	22	32	9	NA	63	
Congo, People's Republic	.3	-18	4	3	2	57	89	12	28	86	
Gambia	1.7	-111	-68	15	2	16	33	1	2	85	
Ghana	-1.3	4.0	1	NA	13	18	20	5	NA	86	
Guinea	6.3	3.0	8	18	15	84	85	23	38	84	
Liberia	3.0	4.0	3	4	3	34	42	5	8	81	
Nigeria	8.0	7.5	37	NA	20	3	5	2	NA	97	
Senegal	.9	5.8	-52	19	2	18	32	14	20	54	
Sierra Leone	1.1	1.9	-54	NA	7	28	40	17	NA	81	
Togo	3.3	3.0	-67	-88	11	8	29	64	11	34	87
Zaire	.5	2.0	-17	NA	10	58	47	27	NA	71	
Middle income:											
Ivory Coast	7.9	4.0	13	20	6	3	28	44	14	22	68

NA = Not available.

1/ 1979 figures are estimates or projections. See glossary for explanation of indicators. Excluding Benin, Guinea-Bissau, Equatorial, Guinea, Sao Tome, and Principe.

2/ 1978 reserves.

Sources: World Bank; International Monetary Fund; U.S. Central Intelligence Agency.

Table 20--West and Central Africa: Total and U.S. food aid, fiscal year 1979 1/

Country	U.S. food aid											
	Total food aid	P.L. 480	Title II aid, by program									
			Developmental					Emergency				
			Title I	Title II	Maternal-child feeding	School feeding	Other child feeding	Food for work	Refugee	Disaster	General relief	

-- = Not applicable.

1/ Discrepancies between total food aid and P.L. 480 are due to different reporting systems. Commodities given as food aid are converted into metric tons.

Sources: Food Aid Bulletin, various issues, Food and Agriculture Organization; U.S. Department of Agriculture; and 1979 Annual Report on P.L. 480, Office of Food for Peace, U.S. Agency for International Development (to be published).

Most countries in the region received some food aid during 1978 or 1979. The largest recipients were Ghana, Guinea, Senegal, and Zaire; most of it came from the United States. Each of these countries received P.L. 480 Title I and Title II except Senegal (Title II only). Almost 70 percent of U.S. food aid was Title I, distributed to 3 countries, and the remaining 30 percent was Title II aid, divided among 11 countries. Title II was distributed primarily to feeding and Food for Work programs.

Cameroon

Summary: Cameroon is nearly self-sufficient in food production. A diversity of foods is produced. Major agricultural production emphasis is on cash crops.

Agricultural Production, Consumption, and Trade: The agricultural sector provides a livelihood for 85 percent of the population of 8 million. Root and tuber crops are the primary staple foods. Only 20 percent of the 3.7 million tons of staple items produced in 1979 was grain.

Cameroon is one of Africa's few net exporters of food. Per capita food production stands at 95 to 97 percent of the 1961-65 level. Wheat and rice imports for the urban population have recently increased.

Good weather conditions in 1979 contributed to increased yields for most agricultural crops. However, total 1979 grain production declined slightly to 740,000 tons from 750,000 tons in 1978. This decline was due primarily to corn. Total grain imports increased from 80,000 tons in 1978 to 150,000 tons in 1979. Government and private stocks are unknown.

Economic and Financial Situation: The economy demonstrated real growth of 5 to 6 percent in 1979. The financial situation is relatively stable and future performance is likely to be favorable. The relatively low inflation rate was estimated to have decreased last year from 15 to 9 percent. Annual debt service in 1977/78 equaled only 10 percent of exports and 2 percent of GDP. Cameroon should produce and refine sufficient quantities of petroleum to meet domestic needs and possibly export small amounts by the early eighties.

The agricultural sector provides 75 percent of the export earnings, valued at \$888 million in 1978. Coffee and cocoa are the two major export crops, accounting for about 55 percent of total export value.

The trade balance in 1978 showed a deficit of \$116 million, with total imports valued at just over \$1 billion dollars. Because of international transfers of capital, however, international reserves (as of September 1979) doubled to \$114 million from a level of \$52 million the previous year.

Outlook: Cameroon could be self-sufficient in food production with favorable growing conditions. Outlook for 1980, based on recent trends, is good. However, wheat and possibly rice will continue to be imported for the urban population.

Ghana

Summary: Agricultural production was up slightly in 1979 but not enough to overcome the declining trend of recent years. Ghana must import food to meet domestic demand. Two changes in government in 1979 contributed to confusion in public agricultural policy.

Agricultural Production, Consumption, and Trade: Good weather in the 1979 crop year contributed to increased agricultural production. Total grain production in 1978 was 621,000 tons, increasing to 725,000 tons in 1979. This was due primarily to increased

corn production. Ghana imports grain to meet domestic consumption requirements, although there have been some constraints due to limited port facilities. Levels of government and private stocks are unknown. Shortages of food have been aggravated by hoarding and transportation problems. Food prices increased 200 percent in 1979, and licensing restrictions on imported goods have contributed to shortages of some foods. Apparent annual per capita grain consumption was 98.5 kilograms in 1979, up slightly from the 1978 level.

Economic and Financial Situation: The economy has been stagnant the last few years with a declining growth rate on average for 1976-78. Ghana had a positive trade balance in 1978 of \$176 million, due largely to high cocoa prices. The balance for 1979 was probably less favorable due to a decline in the quantity of exports of cocoa beans and products. International reserves at the end of 1979 were \$294 million, a 5-percent increase over 1978. External public debt has not increased significantly since 1976 and the debt-service ratio is low, averaging about 5 percent of exports for 1976-78. GNP is estimated to have increased 4 percent in 1979, slightly above the population gain of about 3 percent. This is an improvement over the last several years when practically no increase occurred in GNP. Per capita GNP is estimated to be below the level of 1970. Inflation fell from 125 percent in mid-1978 to about 70 percent at the end of 1979.

Outlook: The current government is placing priority on small-farm agricultural production instead of large-scale, capital-intensive operations previously emphasized. Agricultural production in 1980 should increase with good weather. However, deterioration of transportation facilities and rural labor shortages will limit any increases for the next few years.

Guinea

Summary: Guinea is a net food importer, relying heavily on U.S. food aid. The agricultural sector has been deemphasized in recent years. Ecological damage resulting from poor farming practices has aggravated the longstanding problem of lack of economic incentives in agriculture.

Agricultural Production, Consumption, and Trade: Grain production in 1979 was substantially above 1978 levels. As a result, net imports in 1979 decreased approximately 50 percent. Rice is the main import, averaging about 12 percent of total rice consumption in recent years and accounting for roughly 50 percent of Guinea's food import bill. A U.S. P.L. 480 Title I program supplied Guinea with 10,000 tons of rice in 1979. Levels of government and private stocks are unknown. Apparent per capita annual consumption of grain increased to 91 kilograms in 1979 from 84 kilograms in 1978.

Economic and Financial Situation: The economic data on Guinea are incomplete and inconsistent between sources and are thus omitted. Estimates have been included in table 19 but should be interpreted with caution.

Outlook: Expectations for 1980 agricultural production are unclear. But production is not likely to be up substantially and much of it is not available for domestic consumption due to smuggling. Guinea will continue to depend on food imports and concessional aid to meet demand.

Ivory Coast

Summary: The general agricultural sector made a strong showing in 1979. However, grain production, mainly rice, has not kept pace with domestic demand and rice imports were necessary in 1979.

Agricultural Production, Consumption, and Trade: While the export sector has grown rapidly, production of grain, principally rice, has remained stable since 1978 at about 600,000 tons. This is despite an effort to diversify agricultural production so as to be less vulnerable to fluctuations in the world cocoa and coffee markets. Grain imports have been used to meet growing domestic requirements. Net grain imports decreased to 347,000 tons in 1979 from 383,000 tons in 1978.

Economic and Financial Situation: Per capita GDP in the Ivory Coast is the highest in the region. While inflation registers at 20 percent, economic growth has generated broadly distributed income gains. The economy depends heavily on agriculture; 75 percent of foreign exchange earnings come from agricultural exports, principally coffee and cocoa. Profits on government marketing of these commodities are vitally important to the financing of the country's development programs. Foreign indebtedness, at almost \$3 billion, has resulted in a debt-service ratio of nearly 20 percent.

Outlook: Grain production will increase slightly. Production will not keep pace with increasing demand; rice imports of 200,000 tons are anticipated in 1980.

Liberia

Summary: Food production has not kept pace with domestic demand. Sizable rice imports have been necessary.

Agricultural Production, Consumption, and Trade: Total grain production in 1979 was up slightly from 1978 levels. Government efforts to achieve self-sufficiency in rice in 1980 have been abandoned. Net imports of grain, especially U.S. rice, are needed to meet domestic demand. Lack of economic incentives in agriculture are now being addressed by the government. Apparent per capita annual consumption of grain was 136 kilograms in both 1978 and 1979.

Economic and Financial Situation: The last year for which data are available is 1978. A small trade surplus was recorded due to price increases for exports of rubber, lumber, and diamonds. Per capita GDP was steady at \$525. The situation for 1979 was probably similar.

Outlook: Significant increases in food production in 1980 are not expected. New agricultural development policies will not have had time to make an impact. Grain shortfalls will require an estimated 60,000 tons of rice imports.

Nigeria

Summary: Good weather contributed to small increases in food production in 1978 and 1979, but this does not indicate a reversal of the declining trend in agricultural output. Any production increases are more than offset by a population growth rate of almost 3 percent. Nigeria will, therefore, be a net food importer for the foreseeable future.

Agricultural Production, Consumption, and Trade: Agriculture's relative importance in the economy has declined rapidly during the last 20 years--from 66 percent of GDP in 1960 to 14 percent in 1979. Area under major crops fell from 20.4 million hectares in 1973 to 14.7 million hectares in 1978 (less than 15 percent of the total land area).

Nigeria was a net agricultural exporter prior to 1975. However, Nigeria currently imports substantial quantities of agricultural products. Food imports reached a peak of \$1.5 billion in 1978. Grain imports in 1979 were 1.4 million tons, down 0.4 million from the 1978 high.

The major cash crops, peanuts and cocoa, have suffered more from the movement away from agriculture than have the subsistence food crops. Peanut production averaged 1.4 million tons in 1961-65, but has fallen to about 500,000 tons, almost none of which enters commercial channels. The 1978/79 cocoa crop was the lowest since 1957/58.

Relatively good weather in 1979 contributed to increased agricultural production. Total 1979 grain production increased to 9.04 million tons from 8.64 million tons in 1978. Root crop production increased from 34 million tons in 1978 to 34.4 million tons in 1979. Government grain stocks at the beginning of 1979 were 419,000 tons, up from 236,000 tons in 1978.

Economic and Financial Situation: Nigeria has a mixed economy. Recently, the petroleum industry has been the most dominant source of economic growth. Petroleum export revenues rose to \$16 billion last year (due primarily to sharp price increases) from \$9.5 billion in 1978. The agricultural sector, despite a slowdown in performance, is the second most important economic activity. The industrial sector is in third place, but suffers from frequent breakdowns because of shortages of spare parts.

The physical infrastructure has been strengthened in the last decade. Improvements in the road, telecommunication, and port networks have opened the economy to the rural areas that contain 75 percent of the population.

Spiraling inflation has been a major problem. The new civilian government has undertaken austerity measures which are partly responsible for the decline in the rate of inflation from 24 percent in 1978 to 15 percent in 1979.

Nigeria had a positive trade balance of \$5 billion in 1979, compared with a deficit of about \$2 billion in 1978. The balance-of-payments had a surplus of \$3 billion. International reserves were \$5.5 billion at the end of 1979, up from \$1.9 billion at the end of 1978. Nigeria's external debt has been declining in recent years.

Outlook: The civilian government is taking steps to halt the long-term decline in agricultural production. However, it is unlikely that Nigeria will soon become self-sufficient in food production. Substantial food imports will be needed in 1980. Earnings from oil exports will enable Nigeria to finance food imports needed to meet rising demand from a growing urban population.

Senegal

Summary: Poor growing conditions, due to sporadic rains and problems with agricultural inputs contributed to declining agricultural production in 1979. Economic hardships resulting from a decade of drought continue to place severe strains on Senegal's economy.

Agricultural Production, Consumption, and Trade: The performance of Senegal's agricultural sector in 1979 was not as good as in 1978. Total grain production was down from reported harvests in 1978. Much of the decrease was accounted for by a reduction in millet. Production declined to 500,000 tons in 1979 from the record harvest in 1978 of 795,000 tons. The effect of this reduction is mitigated somewhat by the estimated 100,000 tons of stored millet from the previous year. Rice production is expected to have been down from the 1978 level of 127,000 tons. Cassava production estimates remain constant at 120,000 tons.

Production levels for Senegal's chief export crops, peanuts and cotton, were also down. Peanut production fell from 1.1 million tons in 1978 to 0.9 million tons in 1979. Cotton production declined slightly from 48,000 in 1978 to 42,000 tons.

The decline in agricultural production in 1979 was due to sporadic and poorly timed rains, the government's refusal to supply seed and fertilizer to farmers delinquent in paying debts owed to the cooperatives, and scandals involving the official marketing agency.

Total grain imports decreased from 370,000 tons in 1978 to 355,000 tons in 1979. Fearing a substantial food deficit due to declines in domestic production, Senegal has appealed to the international community for food aid. Over 200,000 tons of rice will be required to fulfill annual consumption, which exceeds 300,000 tons.

Economic and Financial Situation: The GNP growth rate in 1979 was estimated at 5.8 percent, compared with -5 percent in 1978. The inflation rate was about 10 percent, compared with 4 percent in 1978.

Despite the decline in agricultural production in 1979, the estimated trade deficit of \$130 million is less than the 1978 deficit of \$286 million. The trade balance for 1980 will most likely be somewhat less than in 1979 due to the reduction in the peanut crop. Preliminary estimates indicate that peanut oil exports should be roughly 200,000 tons down from the 1979 figure of 220,000 tons. Meal exports in 1979 were 330,000 and are expected to be 290,000 tons in the current year. As of November 1979, international reserves increased to \$25 million, a 35-percent increase over 1978. Import coverage remained at the same low level of 2 weeks. External public debt has been increasing and was equal to about 30 percent of GNP; debt-service payments were estimated at about 20 percent in 1979.

Outlook: Senegal will continue to import substantial quantities of grain in 1980, even with favorable weather conditions. A dispute between the government and farmers over delinquent loan payments will have to be resolved before any increase in agricultural output can be expected.

Sierra Leone

Summary: The agricultural sector has made little progress in recent years toward meeting domestic demand. Rice shortages resulted in riots in 1979. Large imports are needed to meet consumption needs.

Agricultural Production, Consumption, and Trade: Production of grain has been trending downward, from 359,000 tons in 1978 to a projected 1980 harvest of 337,000 tons. Net grain imports were 43,000 tons in 1979, but are projected to rise sharply in 1980 to 103,000 tons. Sierra Leone was self-sufficient in rice production a few years ago, but 1980 rice imports are projected to be 80,000 tons. Weather has been an influencing factor; lack of agricultural inputs, fertilizer, pesticides, and storage facilities also constrained growth. Present domestic rice marketing and price policies may not provide the incentives needed to achieve greater output or to restrain rice exports.

Economic and Financial Situation: The economy continues to stagnate, primarily because of a decline in the country's mining sector. The balance-of-trade deficit has been widening and was estimated at \$86 million in 1979. Foreign exchange reserves are scarce and external trade and payments restrictions have been imposed. Inflation in 1979 was estimated at 35 percent.

Outlook: Early rains following dry weather do not bode well for increased food production in 1980. Official estimates project a need for 80,000 tons of rice imports. A crash program to increase rice production might decrease the magnitude of imports needed.

Zaire

Summary: Zaire, a net food importer, has the potential to increase food production greatly. Major problems of social infrastructure must be solved before this potential can be realized, however.

Agricultural Production, Consumption, and Trade: Zaire was a net exporter of food at independence 19 years ago. Zaire spent \$300 million, one-third of its foreign exchange holdings, on food imports in 1979. The food situation has deteriorated primarily because of widespread corruption, poor government management, lack of security in the countryside, degeneration of the transportation network, and inadequate farmer incentives. Zaire has the potential, however, to increase agricultural production substantially should these problems be resolved.

Zaire continues to depend on imports of corn, rice, vegetables, meat, and other agricultural products which could be domestically produced. Total grain imports increased from 260,000 tons in 1978 to 353,000 tons in 1979. Other food imports increased 20 percent. The gain for rice was the most dramatic. Milled rice imports jumped from a 1978 level of 15,000 tons to 32,000 tons in 1979. Two-thirds of the rice imports were on concessional terms, just under one-half of which came from the U.S. food aid program. Wheat and flour imports increased from 128,000 tons in 1978 to 145,000 tons in 1979, 65,000 tons of which were P.L. 480 Title I shipments. Imports of corn declined from 175,000 tons in 1978 to 130,000 in 1979 because of lower availability of corn in South Africa.

Uneven weather conditions in 1979 reduced yields of food crops. However, total 1979 grain production increased to 641,000 tons from 620,000 tons in 1978. This increase was due primarily to corn. However, the increase in domestic corn production was more than offset by the decline in corn imports. Part of the slack in corn supply was covered by manioc (cassava), the principal food crop in Zaire, which recovered to its 1977 production level of 12 million tons. Drought and associated mealy bug infestation had reduced manioc production to about 10.9 million tons in 1978. Government stocks of grain at the beginning of 1979 were 54,000 tons, up from 37,000 tons in 1978.

Economic and Financial Situation: The economy has shown no real growth for several years. The GNP growth rate in 1979 was estimated at 2 percent, compared with 1.5 percent in 1978. The inflation rate was 100 percent compared with about 60 percent in 1978.

Zaire is currently facing external financial difficulties, exemplified by a serious debt burden. In 1979, however, international reserves increased to \$207 million (a 64-percent gain over the previous year) because of high copper prices and record prices for cobalt. Nevertheless, Zaire continues to have difficulty financing imports. External public debt is around \$2 billion, equivalent to 50 percent of GNP. Debt re-scheduling agreements made in December 1979 will help to reduce Zaire's debt-service burden (the debt-service ratio was 54 percent in 1978) over the next 4 years. But Zaire will have to abide by the terms of a new International Monetary Fund (IMF) stabilization program which requires major budgetary restraint, progressive devaluation of the currency, and gradual decontrol of prices on agricultural commodities and manufacturers.

Outlook: Zaire will continue to depend on food imports in 1980. The overvalued currency makes it profitable to import agricultural commodities and unprofitable to export them. Monetary reforms are expected to help improve the trade balance while providing incentives for domestic production. Major transportation and internal security problems, however, may hinder efforts to increase food output.

This section includes 12 countries representing approximately 5 percent (200 million) of the world's population. Except for Egypt, Lebanon, People's Democratic Republic of Yemen, and Yemen Arab Republic, the countries covered are middle-income countries (above \$625 per capita). The section excludes the major oil exporting countries--Iraq, Saudi Arabia, Libya, Kuwait, Oman, United Arab Emirates, Bahrain, and Qatar (15 percent of the region's total population). Portugal is included because it has received large amounts of U.S. food aid over several years.

Of the 12 countries, only Turkey is a net exporter of grain. Net imports to the region as a whole in 1978/79 amounted to roughly 15.6 million tons and are forecast to increase by 3.7 million tons by the end of the 1979/80 crop year (tables 21-23). Dependency on grain imports tends to vary significantly between countries. Israel, Jordan, and Lebanon rely on grain imports to meet nearly 90 percent of their domestic consumption, while Iran and Yemen meet less than 30 percent of their domestic grain consumption through imports. The United States is a major supplier to Israel (87 percent of consumption), Egypt (52 percent), Tunisia (40 percent), and Morocco (36 percent). The United States also supplies grain to Jordan, Syria, Lebanon, and until recently to Iran.

Five of the seven countries for which economic growth rates are available for 1979 experienced GNP growth in excess of 5 percent. Morocco (4 percent) and Syria (2 percent) were the exceptions. Information on their current trade accounts is sketchy. Nevertheless, of those reported, Egypt, Israel, Tunisia, and Turkey ran trade deficits in 1979.

The only countries not receiving food aid in FY 79 (October/September) were Iran and Turkey. Title I shipments to the region during the fiscal year totaled almost 1.7 million tons or 92 percent of total P.L. 480 shipments of grain and vegetable oils. Most of the Title II aid to the region went to support maternal and child feeding programs in Egypt, Tunisia, and Morocco.

Egypt

Summary: Continued slow growth in grain production in 1979 fell short of increased requirements. Nevertheless, grain imports declined by 460,000 tons. Large current account deficits continued, but international reserves increased sharply at year end. Import coverage is low, as is the debt-service ratio. Heavy dependency on capital and aid inflows continues.

Agricultural Production, Consumption, and Trade: Total grain production in 1979 was 7.4 million tons, about equaling 1978 production. Total food production rose 3 percent from the 1978 level and the per capita food production index stood at 94 (1961-65=100), up from 93 in both 1977 and 1978. Record yields of cotton were realized in 1979 when 471,000 tons of lint were produced. Production of paddy rice, another export crop, was up significantly to 2.5 million tons (paddy), while production of citrus was up marginally. Government stocks at the end of 1979 were 2.88 million tons, down from 2.96 in 1978.

Egypt's agricultural exports in 1979 ran substantially ahead of 1977 and 1978 when agricultural exports totaled \$823 million and \$661 million, respectively. Food imports reached \$2 billion in 1978 and were estimated to have exceeded that level by 20 percent in 1979. Wheat and wheat flour imports (4.9 million tons) accounted for about 35 percent of the food imports; 72 percent of the wheat and/or wheat products consumed in Egypt in 1979 was imported. Vegetable oils and meats are other large agricultural imports.

Table 21--North Africa, Middle East, and Europe: Total grain production, net imports, and per capita availability

Country	Production			Net imports			Per capita availability 4/			
	1978/79 : metric tons -	1979/80 : metric tons -	1970-79 : trend 1/ : 2/	1978/79 : metric tons -	1979/80 : metric tons -	Share of : consumption : 1978/79 : 3/	1978/79 : forecast :	1979/80 : forecast :	1972/74- : 1978/79 : forecast :	1972/74- : 1978/79 : forecast : trend :
Low income:	1,000	1,000		1,000	1,000					
Egypt	7,413	7,395	1.2	5,761	5,601	43.9	42	327	336	5.4
Lebanon	55	47	-1.0	491	575	88.9	12	199	205	2.1
Yemen, Arab Republic	1,590	1,610	26.7	504	534	24.9	NA	289	287	6.4
Yemen, People's Republic	85	85	22.7	100	100	54.5	3	101	98	NA
Middle income:										
Iran	7,220	6,867	4.0	2,310	2,750	27.5	18	269	244	6.7
Israel	143	191	-3.2	1,766	1,662	94.5	87	504	495	6.9
Jordan	68	21	-19.8	450	550	99.0	30	179	182	5.1
Morocco	4,662	4,048	.4	1,503	1,940	32.2	36	322	310	4.8
Portugal										
Syria	2,271	1,798	8.8	691	1,065	36.0	23	372	364	9.2
Tunisia	901	901	1.9	815	910	50.1	40	290	285	5.5
Turkey	20,769	19,815	4.4	-2,008	-855	NA	NA	449	444	4.4
Total	45,177	42,778	--	12,383	14,832	--	--	--	--	--

NA = Not available.

-- = Not applicable.

1/ Trend growth rate in production based on calendar year.

2/ Variation is calculated as a coefficient of variation from trend.

3/ Share of total imports from the United States.

4/ Trend growth rate is per capita grain availability based on statistics in appendix table 1.

Sources: Foreign Agricultural Service; and Economics, Statistics, and Cooperatives Service.

Table 22--North Africa, Middle East, and Europe: Economic and financial indicators 1/

Country	Real GNP		Trade balance/ exports		Import coverage		Debt/GNP		Debt-service ratio		Commodity concentration ratio	
	1976-78 average	1979	1976-78 average	1979	1967-78 average	1979	1975-77 average	1978	1976-78 average	1979	1976-78 average	1979
	Percent		Percent		Weeks		Percent		Percent		Percent	
Low income:												
Egypt 2/	8.9	7.0	-146	-154	5	3	54	64	57	90	28	
Lebanon	-13.3	NA	-111	NA	73	NA	3/1	3	2	NA	3/17	
Yemen, Arab Republic	5.6	5.0	-890	NA	87	NA	16	13	761	NA	3/76	
Yemen, People's Republic	5.7	4.0	-695	NA	17	NA	43	47	17	NA	3/82	
Middle income:												
Iran	5.6	NA	39	NA	40	NA	7	NA	5	NA	97	
Israel	2.2	45.0	-104	-99	15	23	6	60	19	33	15	
Jordan	10.3	10.0	-418	NA	26	NA	27	37	17	NA	3/47	
Morocco	3.7	4.0	-117	112	9	8	26	37	21	44	3/62	
Portugal	5.1	3.0	130	NA	5	NA	7	14	7	NA	NA	
Syria	3.3	2.0	-90	NA	10	NA	17	28	14	NA	99	
Tunisia	7.6	7.0	-94	-29	11	9	29	42	15	15	58	
Turkey	5.0	1.7	-164	-100	8	8	9	12	19	42	43	

NA = Not available.

1/ 1979 figures are estimates or projections. See glossary for explanation of indicators.

2/ 1979 estimates based on third quarter data.

3/ 1976-77 average.

Sources: World Bank; International Monetary Fund; U.S. Central Intelligence Agency.

Table 23--North Africa, Middle East, and Europe: Total and U.S. food aid, fiscal year 1979 1/

Country	U.S. food aid												
	Total food aid	P.L. 480		Title II aid, by program									
		Title I	Title II	Developmental					Emergency				
				Maternal-child feeding	School feeding	Other child feeding	Food for work	Refugee	Disaster	General relief			

-- = Not applicable.

1/ Discrepancies between total food aid and P.L. 480 are due to different reporting systems. Commodities given as food aid are converted into metric tons.

Sources. Food Aid Bulletin, various issues; Food and Agriculture Organization; U.S. Department of Agriculture; and 1979 Annual Report on P.L. 480, Office of Food for Peace, U.S. Agency for International Development (to be published).

Egypt imports most of its wheat on concessional terms from France, Australia, and the United States. Egypt has programs financed under P.L. 480 Titles I and III, CCC export credit sales program, and the commodity import program of the U.S. Agency for International Development. Food supplies are ample in Egypt due to the government's subsidy policies. This policy is expensive (\$1 billion) but the government considers it politically necessary because of Egypt's low per capita income, less than \$400 in 1979.

Economic and Financial Situation: The GNP growth rate in 1979 was estimated to be 9 percent, as in 1978. The government's official inflation rate was 11 percent, about the same as 1978. Actual inflation, however, is much higher, in the 25- to 30-percent range. The trade balance showed a deficit of \$3.6 billion in December 1979, with exports at \$2.7 billion and imports at \$6.3 billion. However, international reserves increased at year end to \$529 million because of oil export earnings. Import coverage increased to 4.3 weeks. External public debt in October 1979 was \$6.5 billion. Debt-service payments were \$900 million in 1979.

Outlook: The government plans to limit further growth in the cost of food subsidies in 1980 by tightening eligibility requirements for subsidized commodities. Also, the quality of flour used to bake the cheapest loaf of subsidized bread was reduced to limit demands for subsidized wheat products. Bread prices were doubled in February, reducing subsidy costs. Further increases in the country's agricultural productivity and continuation of moderate rates of economic growth are expected in 1980.

Iran

Summary: Shortages of food items were reported and Iranians had to tighten their belts considerably as U.S. agricultural exports to that country were sharply down in the last 3 months of 1979. Iran possesses sufficient foreign exchange to finance commercial food imports.

Agricultural Production, Consumption, and Trade: Iranian agricultural production in 1979 was believed to be average, although production of certain items did decline. Poultry meat and egg production declined because of grain shortages. Milk production also declined and meat shortages persisted. Production of wheat, the major crop in Iran, was an estimated 4.5 to 5 million tons in 1979, compared with 5.3 million in 1978. Barley production at 1 million tons was the same as in 1978 and rice production was down slightly. Iran does not carry large stocks and therefore depends on a continuous flow of food imports, particularly to the urban areas. This is especially true of grain and vegetable oils.

Iran's total food consumption increased dramatically in the seventies, primarily because of the massive infusion of oil money into the economy. Per capita incomes quadrupled and demand for food skyrocketed. The result has been substantial food imports. Commercial food imports rose from \$300 million at the beginning of the seventies to about \$2 billion in 1977/78. The basic Iranian diet consists primarily of wheat and rice, but in recent years, protein consumption in the form of chicken, red meat, and pulses has increased, particularly in the urban areas.

Iran's agriculture is largely rainfed, and vulnerable to droughts. Agricultural exports have always been small, comprising about half of the total nonpetroleum exports of about \$200-\$300 million.

Iran's major cash crop is cotton, but production has continued to decline as soybean area has been expanded instead.

Economic and Financial Situation: Iran's oil production has provided the country with large levels of international reserves, allowing easy financing of food and other imports. The current political situation resulted in some disruption of the economy in

1979 and no data for that year are available. Growth was probably low or stagnant but Iran maintains sufficient international reserves to cover import needs.

Outlook: Food imports are expected to increase in 1980 even if average agricultural production is maintained. The economy is suffering from inflation, unemployment, food shortages, and energy problems. Iran continues to export oil and, therefore, is able to import food. The agricultural sector is likely suffering from shortages of fertilizer, spare parts, and pesticides.

Israel

Summary: Israel's total food production declined because of severe drought in 1979. The economy suffers from large trade deficits and high inflation rates. High levels of consumption have been maintained despite these problems.

Agricultural Production, Consumption, and Trade: Although total food production declined in 1979, grain production increased over 1978 levels. Israel's wheat production has declined steadily since the record harvests in 1972, primarily because of a shift of land into cotton production.

Much of Israel's agriculture is irrigated, but remains heavily dependent on adequate rainfall and cheap water. Drought in 1979 caused severe water problems, although recent heavy rains have replenished sources. However, a 320-percent increase is anticipated in the price of water in April of 1980 due primarily to a reduction in water subsidies. Profitability of several export crops will sharply decline as a result, especially oranges. Unless high world prices prevail, profitability of irrigated cotton will also be endangered. Supplementary irrigation for wheat will become unprofitable. The higher water price will add to other financial problems and agricultural production may decline.

Israel's agricultural exports continue to increase, although not at the rate of increase of agricultural imports. Agricultural products now comprise about 14 percent of total exports compared with 18 percent in 1977. Agricultural imports are about 12 percent of total imports, down from 17 percent in 1977. Leading agricultural exports are fresh fruit (primarily citrus), cotton, and fresh vegetables. Israel's leading imports are wheat, grain, vegetable oil, and red meat.

Israel's grain production is small and the livestock sector depends on imports for almost all its feed. Israel's food consumption levels have remained high for many years and diets are high in fruits, vegetables, poultry meat, and eggs. Food is well distributed and both the internal and external marketing system is efficient.

Economic and Financial Situation: Domestic food prices in 1978 and 1979 increased dramatically as subsidies were either lowered or completely eliminated. The price of milk at the retail level increased 265 percent in 1979. Costs of other foods and services also increased and inflation for 1979 was 111 percent, double that of the previous year. The trade deficit in 1979 was \$3.45 billion, excluding the defense imports. However, foreign exchange reserves increased to \$3.06 million from \$2.63 million, 17 percent above 1978 due to increased aid inflows and housing. Import coverage increased to 23 weeks compared with 18 weeks in 1978. Debt-service payments equaled about 3 months of exports of goods and services by early 1979, and are expected to rise. The Israeli per capita national debt is the highest in the world.

Outlook: Israeli farmers are being squeezed by input prices and low returns. A production decline in 1980 seems inevitable unless some type of income guarantee for the farmers is continued. Three-digit inflation will continue in 1980 with some slowing of the economic growth rate. As a consequence of exceptionally good rainfall and reduced

price supports for other crops and livestock, grain production is expected to increase 25 percent, to a level not achieved since 1976.

Jordan

Summary: Poor weather sharply reduced grain acreage and yields. Food requirements were met by a 25-percent increase in grain imports. Production prospects in 1980 are good to excellent but stocks need to be replenished. Jordan's ability to finance commercial imports continues to hinge on cash grants and concessional sales.

Agricultural Production, Consumption, and Trade: Poor weather conditions in 1979 decreased grain yields. Total grain production in 1979 declined to 21,000 tons from 68,000 tons in 1978 as the area harvested declined one-third. Total grain imports increased from 450,000 tons in 1978 to 550,000 tons in 1979. Grain stocks at the end of 1979 decreased to 36,000 tons. Jordan imported about 300,000 tons of wheat in 1979. The livestock sector is expanding, particularly poultry, which accounts for over 50 percent of livestock output and requires the 100,000 tons of imported corn annually.

Economic and Financial Situation: Jordan's economic development continues. While the boom in residential construction is leveling off, money supply and commercial credit continue to increase. National income is rising and Jordan continues to invest heavily in economic and social development. Agriculture is a relatively small part of Jordan's overall economy, and in 1979 contributed 10.6 percent of GDP. Severe and widespread droughts and population growth have caused per capita food production to drop precipitously over the last 5 years.

The growing trade deficit leveled off in 1978, but the balance-of-payments position worsened. Although no immediate improvement is expected, exports of phosphate and potash should improve the trade balance within a few years. The deficit on the merchandise account is usually made up by receipts from tourism, official transfers, and Jordanians working abroad. Jordan's total foreign exchange reserves at the end of 1978 were 30 percent higher than a year earlier when total reserves covered 7 months of imports. While foreign debt has continued to increase, the debt-service ratio is relatively low due to large amounts of external assistance at concessional rates. The government continues to rely heavily on foreign cash grants to finance its regular budget deficits. Its ability to finance commercial imports is limited.

Outlook: Agricultural production prospects for 1980 are excellent, in contrast to 1979. Projected 1980 grain production is 175,000 tons, a return to the 1975-78 average. Imports will likely be in the range of 450,000 to 500,000 tons to replenish depleted stocks.

Lebanon

Summary: Grain stocks were drawn down in 1979 and grain production declined. Increased domestic requirements and some recovery in re-exports to the region resulted in considerable growth in imports. The constraint on food imports is as much physical as financial, the consequence of continued civil strife.

Agricultural Production, Consumption, and Trade: Lebanon's crop production in 1979 fell short of early expectations, due principally to inadequate rainfall in the spring and internal instability that prevented proper care by producers. The purchasing of domestic wheat by the government was halted by insurrection in 1975. Because of hostilities, domestic wheat production no longer enters the commercial milling system.

The Port of Beirut has deep water facilities with modern, government-owned elevator storage. The port had helped to establish Beirut as a point for transshipments as well as the main terminus for major commodity imports. However, in February, after being

open for a number of months, the port was again closed by civil disturbances. The Lebanese recently estimated that even if the fighting ended now, it would take over \$40 million and perhaps as long as 25 years to restore the economy to pre-civil war performance levels.

Economic and Financial Situation: No exchange or indebtedness constraint on grain trade is evident. Foreign indebtedness of Lebanon, including undisbursed loans, amounted to \$74.1 million at the end of 1976, the most important creditors being the World Bank, Kuwait, and the United States. Debt-service payments have been relatively small. At the time of the civil war, exchange reserves were high and the Lebanese pound was heavily backed by gold.

Outlook: The economy has been disrupted badly by civil strife. Lebanon will need external assistance and international support to reduce hardships among the population.

Morocco

Summary: Weather-related reductions in 1979 grain production were offset by a nearly one-third increase in grain imports, including a 75-percent increase in U.S. grain.

Agricultural Production, Consumption, and Trade: Poor weather conditions in 1979 contributed to decreased grain yields. Total 1979 grain production declined to 4.05 million tons from 4.66 million tons in 1978. Grain imports increased from 1.5 million tons in 1978 to 1.94 million tons in 1979. Wheat imports rose from 1.41 to 1.75 million tons, and imports of corn and barley also increased. Government grain stocks at the beginning of 1979 were 601,000 tons, up from 531,000 tons in 1978. Morocco received both Title I and Title II food aid in 1979.

Economic and Financial Situation: Morocco's GDP rose at about 3 percent in real terms in 1979, the same as in 1978. This represents a slowdown in the growth rate from the 7 percent that prevailed in 1973-77. Chronic shortfalls in agricultural production, the war in the Sahara, and low phosphate prices have had a negative effect on the economy.

Total imports increased from \$3.1 billion in 1978 to \$3.6 billion in 1979 while total exports increased from \$1.6 billion to \$1.7 billion. Import coverage declined from 51 percent to 47 percent. Service payments on external debt nearly doubled between 1977 and 1979. Debt-service payments required 18 percent of export earnings of goods and services in 1977 and 33 percent in 1978. Substantial increases in the cost of fuel and food imports were two reasons for the large increase in import value. Agricultural imports of about \$760 million were up 16 percent from the 1978 level. Wheat, vegetable oil, and sugar accounted for nearly three-fifths of the total.

Outlook: Dry weather through most of the winter in northern Morocco has reduced prospects for the 1980 wheat harvest. Production in 1980 will be below average. The generally poor state of the economy, the low level of international reserves, and a large external debt indicate a reduced capacity in 1980 to finance food imports.

Portugal

Summary: Portugal increasingly relies on agricultural imports to meet domestic requirements. Total food grain imports increased in 1979 and stocks declined as production fell off. While the current account deficit has greatly improved in the past 2 years, Portugal continues to face serious balance-of-payments problems. Portugal has ample foreign reserves, but one-fifth has been committed to finance its large foreign indebtedness of about \$6 billion. Some of these reserves could finance agricultural imports.

Agricultural Production, Consumption, and Trade: Unfavorable weather and political turmoil in the country's breadbasket again caused grain production in 1979 to remain at the low level of about 1 million tons, more than one-third below normal production. The decline has been primarily in wheat. Total imports increased from 3.17 million tons in 1978 to 3.31 million tons in 1979. Portugal now imports about three-fourths of its annual grain requirements. Grain imports account for about one-third the value of Portugal's agricultural imports. Grain stocks, particularly wheat, were nearly depleted but prospects are for a better grain crop in 1980. However, grain imports will remain strong in 1980.

Growth in the economy and personal incomes has spurred an increase in the aggregate demand for food. In addition, the redistribution of income in favor of the lower income groups and the sudden return of 750,000 people from Portugal's former African possessions since the 1974 revolution have added to food demand.

Food imports have recently soared, exceeding \$1 billion in both 1977 and 1978, and they are expected to again exceed \$1 billion in 1979. Agricultural exports, on the other hand, have faltered, and in 1978 remained below the high level of \$321 million in 1974. Whereas the agricultural trade deficit represented only about 10 percent of the total trade deficit in the late sixties, it has risen to nearly 30 percent in more recent years. Much of Portugal's agricultural trade with the United States is financed by P.L. 480 agreements and CCC credits.

Economic and Financial Situation: The economy has experienced sluggish economic growth, high rates of inflation and unemployment, and severe balance-of-payment problems. Prospects for immediate improvements are not encouraging. The GDP amounted to \$21.7 billion by the end of 1979 with per capita GDP at about \$2,266. The internal public deficit approached \$7 billion. However, the deficit on the current account, which had widened continuously from 1974 through 1977, was halved in 1978 to \$800 million and turned into a small surplus in 1979. Improvement in the current account deficit is the result of substantial foreign borrowing and record increases in revenues from tourism and foreign remittances, as well as a substantial reduction in the merchandise trade deficit. Sustaining large current account deficits in recent years has meant a sharp drop in Portugal's previously ample foreign exchange reserves. Portugal has large gold reserves amounting to roughly \$10 billion at current prices. About one-fifth of the gold has been mortgaged against foreign borrowing. Portugal's foreign debt is now estimated at about \$6 billion.

Outlook: Agricultural production is expected to improve, with significant increases in grain crops. Livestock production is expected to continue its upward trend. However, even if grain output should return to normal levels, Portugal would need to import about 600,000 tons of wheat and 2 to 2.2 million tons of coarse grains. Continued large imports of oilseeds to crush for meal will be needed to maintain livestock expansion. The political situation is expected to continue to improve. Further substantial improvement in the balance of payments is not expected in 1980. Scheduled payments on foreign borrowing are expected to pose a serious burden.

Syria

Summary: Sharply increased grain imports and some reduction in stocks were required to make up for a 470,000-ton drop in grain production. Record international financial assistance and growing foreign remittances have resulted in a positive balance of payments.

Agricultural Production, Consumption, and Trade: Dry weather conditions in 1979 decreased grain yields sharply. Total 1979 grain production declined to 1.80 million tons from 2.27 million tons in 1978. This decline was primarily in wheat, the principal domestic grain. Total grain imports increased from 0.7 million tons in 1978 to

about 1.1 million tons in 1979. Government stocks at the end of 1979 were 1.1 million tons, down from almost 1.3 million tons in 1978.

Economic and Financial Situation: Exports of cotton and tobacco, Syria's main foreign exchange earners, were down in 1979. Increased imports were made possible by record foreign aid receipts from neighboring Arab states and a growing amount of foreign remittances, both significant factors in helping Syria to end 1979 with a balance-of-payments surplus. Syria's domestic economy was little better off than in 1977 or 1978 and compared with the boom period of 1974-76 its behavior was generally disappointing. The GNP growth rate in 1979 was estimated at 2 percent, the same as in 1978. The inflation rate increased to 12 percent from 5 percent. The 1978 trade balance was \$1.35 billion in deficit, with exports at \$2.42 billion and imports at \$1.07 billion. International reserves at the end of 1978 were \$380 million and decreased to \$325 million by the first quarter of 1979. While the trade deficit is likely to widen in 1979, a record balance-of-payments surplus is estimated for 1979. An inflow of nearly \$2 billion in foreign grants occurred in 1979. External public debt has been increasing rapidly and was over \$2 billion in 1978. The debt-service ratio rose sharply to 21 percent in 1978.

Outlook: About 85 percent of Syria's wheat and 95 percent of the barley is sowed on nonirrigated land, making production of these important crops subject to rainfall variations. Syria's wheat imports averaged about 285,000 tons from 1970 through 1978 but dipped in years of good harvests, 1 year below 50,000 tons and another year below 8,000 tons. Prospects for 1980 look good for wheat, barley, sugar beets, vegetables, fruit, and the poultry and livestock sectors, but output of Syria's cash crops--cotton and tobacco--is projected to decline.

Tunisia

Summary: Grain production in Tunisia was stable in 1979. Increased requirements were met by greater imports and some reduction in stocks. While the general economic situation improved somewhat, ability to finance food imports remains low.

Agricultural Production, Consumption, and Trade: Continued dry weather in 1979 kept the wheat and barley harvest at the 901,000-ton level. Grain imports totaled 910,000 tons compared with 815,000 in 1978. Government and private stocks at the end of 1979 were 2 million tons, down from 2.1 million tons in 1978. Agricultural imports were valued at \$310 million in 1978. Major imports were grain, dairy products, sugar, coffee, and tea. U.S. food aid in FY 79 amounted to 60,800 tons of durum wheat.

Economic and Financial Situation: Current GDP is estimated to be about \$6 billion (\$1,000 per capita). Agriculture accounts for about 15 percent of GDP, but 58 percent of the people depend on it for a living. Studies show that over 25 percent of the rural population falls below \$121 per capita annual income (1975 prices). Growth of GDP in 1979 was about 7 percent, down from 8.9 percent in 1978. The inflation rate in 1979 was about the same as the 9-percent rate in 1978.

Total exports in 1979 were estimated at about \$1.2 billion, compared with about \$1.1 billion in 1978. Imports were estimated at \$2.3 billion, up from \$2.15 billion in 1978. The trade deficit increased from \$1.05 billion in 1978 to \$1.1 billion in 1979. International reserves increased 5 percent to \$465 million from \$443 million in 1978. Import coverage decreased to 9 weeks in 1979, compared with 11 in 1978. External public debt was estimated at \$2.93 billion at the end of 1979. The debt-service ratio declined slightly to 15 percent from 18 percent in 1978.

Outlook: Rains throughout Tunisia in March restored soil moisture after an abnormally dry winter. It is not certain whether these rains arrived in time to help the wheat and barley crops which were stressed by the earlier dry weather. In January 1980, the government increased the prices of the basic foodstuffs it subsidizes. Prices paid to

farmers for wheat and olives are much higher than the retail prices for vegetable oil and wheat derivatives. The difference is made up by the subsidy fund. The price increases were an attempt to cut the cost of this subsidy which is estimated at about \$350 million per annum.

Turkey

Summary: Turkey is virtually food self-sufficient. While total food production continues to increase, per capita output has risen only slightly in recent years. Turkey has serious international payments problems which makes rapid improvement in the economy in 1980 unlikely.

Agricultural Production, Consumption, and Trade: Total 1979 grain production declined to 19.8 million tons from 20.7 million tons in 1978. Total wheat exports decreased from 2 million tons in 1978 to 800,000 tons in 1979. Turkish grain stocks at the end of 1979 were 5.7 million tons, down from 6.3 million tons in 1978.

Turkey's agriculture grew at a relatively modest rate of 1.9 percent in 1979, compared with 3 percent the previous year. Agriculture's contribution to GNP has remained stable in recent years at about 20 percent. While grain production declined 5 percent in 1979, the wheat crop was the fifth consecutive excellent harvest. Wheat production is estimated at 12.7 million tons and barley output at 4.7 million tons. Sugar production reached 1.2 million tons in 1978, but is estimated down by almost 200,000 tons. Sugar will have to be imported. Turkey's other cash crops of cotton, tobacco, and filberts have now assumed the primary position in Turkey's exports.

Turkey's wheat carryover stocks are near 5 million tons. While stocks have remained at that level in recent years, a poor crop in any year would badly deplete them.

Economic and Financial Situation: A huge foreign debt, an increasing trade deficit, rising unemployment, and inflation are all part of Turkey's current economic malaise. Such problems affect the agricultural sector. While weather is instrumental in Turkey's agricultural output, shortages such as diesel fuel, fertilizer, and spare parts all portend problems for agriculture. Civil strife and continued migration into urban areas have put tremendous strains on the government to provide new jobs and expand the country industrially. The expansion has been hampered by foreign exchange shortages.

Turkey's 1979 trade balance showed a deficit of \$2.5 billion because of estimated exports of \$2.5 billion and imports of \$5 billion. As a result, international reserves in 1979 decreased 8 percent to \$767 million from \$833 million in 1978. Import coverage was estimated to be only about 8 weeks in 1979. Debt-service payments were estimated to increase sharply in 1979 to over \$1 billion, equal to 42 percent of estimated 1979 exports.

Outlook: The country's 1980 outlook is not favorable due to continued inflation, civil violence, fuel shortages, and foreign exchange shortages. Western nations have promised to provide an economic package to aid Turkey, but to date funds have not been distributed at the rate needed. The sluggish performance of the manufacturing sector, because of fuel problems, is likely to continue.

Yemen Arab Republic

Summary: Both grain production and imports increased marginally to meet increased requirements. Grain stocks remained insignificant. Large remittances from abroad provide the means to sustain food and other imports.

Agricultural Production, Consumption, and Trade: The Yemen Arab Republic does not have a food problem except in years of severe drought. Agriculture there depends on sporadic seasonal rainfall which has been adequate since 1977. Agriculture in 1979 had a fair year but with no noticeable increase in output. Total grain production in 1979 increased only marginally from 1978. Despite a development plan and the government's program to increase production, there has been little or no progress since 1969. The country's principal food crops are sorghum, millet, barley, corn, wheat, and pulses. These crops had sufficient rain during 1979 to have a fair output despite some insect and disease damage. Herds of cattle, sheep, and goats make up an important sector of agriculture and contribute both to the domestic food supply and exports. These numbers change little except in drought years. The Yemen Arab Republic is self-sufficient in all food except wheat and sugar, usually importing these and minor amounts of other foods. Total grain imports increased from 510,000 tons in 1978 to 540,000 tons in 1979. Yemen has little storage capability and maintains few grain stocks.

The Yemen Arab Republic was threatened with invasion early in 1979 by its southern neighbor, the People's Democratic Republic of Yemen, and a border war began. Conditions became acute in February and March, but were then cooled down through diplomatic channels.

Economic and Financial Situation: Agriculture is by far the most important sector of the economy. It generates 45 to 50 percent of the country's GNP, accounts for over 90 percent of the total exports, and employs about three-quarters of the labor force. Yemen's mid-1978 population was estimated at about 5.1 million and its GNP at about \$2.9 billion. The average per capita GNP is rising and was estimated by the World Bank at \$580 in 1978. The GNP growth rate in 1979 was 5 percent and the inflation rate was 35 percent. Continuing large trade deficits are financed primarily by private transfers. International reserves in 1979 decreased 2 percent to \$1.4 billion. Import coverage has been high, over 80 weeks in 1978. External public debt was \$380 million in 1978, equal to about 13 percent of the GNP. The debt-service ratio is large but does not reflect the debt burden accurately because private transfers rather than exports are the primary source of foreign exchange.

Outlook: The Yemen Arab Republic will continue to import a large part of its grain requirements. Despite continued trade deficits, the country should have no payment problem because of its sizable remittance from abroad.

People's Democratic Republic (PDR) of Yemen

Summary: Agricultural production declined sharply in 1979 because of drought. Grain imports are expected to increase in 1980. Although private transfers have increased foreign exchange holdings, PDR Yemen must rely on foreign support to sustain needed food imports.

Agricultural Production, Consumption, and Trade: Severe drought in 1979 reduced PDR Yemen crop production by almost half. Wheat production dropped from about 18,000 tons in 1978 to 12,000 tons in 1979. Production of barley, millet, sorghum, and corn declined from 76,000 to 20,000 tons. The low yields of domestic grain crops will considerably increase the need for imports, estimated at 75,000 tons. The amount of government and private stocks are unknown but are estimated to be nominal. Grain handling facilities have been poor, yet the current 5-year plan does not mention elevator construction at the port. Soviet specialists are said to be redesigning the Port of Aden to handle cargo ships with a dead weight of up to 100,000 tons.

Economic and Financial Situation: GNP was estimated at about US \$377 million (at factor cost) with a per capita GNP of about \$209, about \$100 lower than a 1977 estimate. The inflation rate continued at 8 percent. Yemen has had consistently large trade deficits which have been financed by rapidly rising private transfers, which increased

from \$41 million in 1974 to \$258 million in 1978. International reserves rose as of September 1979 to \$213 million from \$188 million, a 13-percent increase over 1978. Import coverage increased substantially in 1978 to 25 weeks. External public debt has been equal to about 50 percent of GNP and the debt-service ratio increased sharply in 1978 to 48 percent.

Details are not known about Yemen's trade. Fish and fish products, cotton, coffee, tobacco, and fruits and vegetables accounted for about 70 percent of total exports in 1978. Food and livestock products accounted for about 36 percent of total imports. With a bad crop year in 1979, it is expected that agricultural imports in the next few years will greatly exceed this percentage. Yemen has imported wheat and small amounts of oilseed products, seeds, and other farm products from the United States.

Central American Regional Summary

The region as a whole depends heavily on its agricultural sector. Haiti, Honduras, Dominican Republic, Guatemala, and Trinidad/Tobago have well over 50 percent of their labor force employed in this sector. The sector's relative contribution to GDP is significant, but does not exceed 30 percent for any country covered. Agriculture is also an important source of foreign exchange to finance imports of industrial and consumer goods and, to a lesser extent, food. Agricultural exports of such traditional commodities as coffee, bananas, sugar, tobacco, and cotton account for nearly 70 percent of the value of exports of each country on their merchandise trade accounts. Consequently, the region's economic health is linked directly to the production of these crops and their international prices.

Since the region uses much of the capacity of its agricultural sector to generate foreign exchange, food must be imported to satisfy domestic needs. The region imports about 20 percent of the grain consumed domestically (tables 24-26).

The countries in the region, with the exception of Trinidad/Tobago, have been running trade deficits on their merchandise accounts since 1976. Part of this problem results from the region's dependency on traditional export crops, these crops' poor production performance, and low international prices. The ratio of the deficit to exports, for example, was as high as 76 percent for Haiti in 1979. Moreover, this ratio has increased for Haiti, Honduras, the Dominican Republic, and Jamaica.

Average per capita calorie availabilities for the region as a whole are close to or above the average calorie requirement of the population (Haiti is a notable exception). Yet between 10 and 30 percent of the population in these countries do not have adequate daily intakes of calories and proteins. The region as a whole received approximately 276,000 tons of P.L. 480 grain and vegetable oils in FY-79. Jamaica, with 114,235 tons, was the major recipient, followed by the Dominican Republic, Haiti, Honduras, Nicaragua, Guatemala, and El Salvador. One quarter of this aid was given on a grant basis (Title II).

Caribbean

Summary: Nutrition in the West Indies depends almost entirely on the immediate, short-run strength of each island economy and its current reserves of foreign exchange which can be used to purchase grain, vegetables, and other basic foods.

The probability of adequate food supplies in the Bahamas, including the Caicos and Turks, appears good for the next year or two. Food supplies in the Cayman Islands are expected to be more than adequate for domestic needs.

Table 24--Central American and Caribbean: Total grain production, net imports, and per capita availability 1/

Country	Production			Net imports			Per capita availability 5/			
	1978/79 : forecast	1979/80 : trend 2/	1970-79 : Variation : 3/	1978/79 : forecast	1979/80 : forecast	Share of : consumption : 1978/79	From : United States : 4/	1978/79 : forecast	1979/80 : forecast	1972/74 : 1978/79 : trend : 3/
	1,000 metric tons	1,000 metric tons	Percent	1,000 metric tons	1,000 metric tons	Percent	Percent	Kilograms per capita	Kilograms per capita	Percent
Low income:										
El Salvador	693	735	3.4	114	115	14	100	178	182	5.9
Haiti	512	502	-4	109	135	20	74	120	156	5.9
Honduras	429	458	1.4	76	103	15	77	145	149	4.2
Middle income:										
Dominican Republic	275	281	3.4	261	267	45	100	107	98	5.6
Guatemala	1,081	1,168	3.9	166	204	14	93	183	203	6.6
Jamaica	15	19	14.6	341	360	95	83	170	179	6.8
Mexico	16,590	14,725	2.3	3,183	6,252	30	83	299	300	4.9
Nicaragua	373	247	.4	74	84	23	83	163	152	.8
Trinidad and Tobago	23	23	NA	205	220	91	52	NA	NA	NA
Total	19,991	18,158	--	4,529	7,740	--	--	--	--	--

NA = Not available.

-- = Not applicable.

1/ Excluding Grenada.

2/ Trend growth rate in production based on calendar year.

3/ Variation is calculated as a coefficient of variation from trend.

4/ Share of total imports from the United States.

5/ Trend growth rate is per capita grain availability based on statistics in appendix table 1.

Sources: Foreign Agricultural Service; and Economics, Statistics, and Cooperatives Service.

Table 25--Central America and Caribbean: Economic and financial indicators 1/

Country	Real GNP growth rate		Trade balance/ exports		Import coverage		Debt/GNP		Debt-service ratio		Commodity concentration ratio	
	1976-78 : average	1979	1976-78 : average	1979	1976-78 : average	1979	1975-77 : average	1978	1976-78 : average	1979	1976-78 : average	1979
----- Percent ----- Weeks ----- Percent -----												
Low income:												
El Salvador	4.8	1.0	-20	NA	14	NA	11	12	5	NA	61	
Grenada	7.9	2.5	-107	NA	10	NA	4/14	12	3	NA	86	
Haiti	3.4	3.0	-16	-76	12	2/12	9	13	8	6	54	
Honduras	6.8	5.0	-2	-19	17	11	29	36	8	9	64	
Middle income:												
Dominican Republic	4.4	3.5	-34	-66	8	11	14	16	10	27	62	
Guatemala	7.0	4.5	3	NA	32	NA	5	6	2	NA	60	
Jamaica	-4.1	1.0	-22	-27	3	3	36	43	22	27	80	
Mexico	3.8	8.0	-45	-16	13	9	23	29	83	58	38	
Nicaragua	2.8	-6.0	-3	13	10	3/12	38	44	17	44	59	
Trinidad and Tobago	5.9	3.3	11	NA	80	NA	4/7	14	4	NA	93	

NA = Not available.

1/ 1979 figures are estimates or projections. See glossary for explanation of indicators.

2/ October, 1979 reserves.

3/ November, 1979 reserves.

4/ Average of 1976 and 1977.

Sources: World Bank; International Monetary Fund; U.S. Central Intelligence Agency.

Table 26--Central American and Caribbean: Total and U.S. food aid, fiscal year 1979 ^{1/}

Country	U.S. food aid										
	Total food aid	P.L. 480		Title II aid, by program							
		Title I	Title II	Developmental				Emergency			
				Maternal-child feeding	School feeding	Other child feeding	Food for work	Refugee	Disaster	General relief	
		Metric tons									
Low income:											
El Salvador	--	--	6,888	115,000	--	--	260,000	--	--	--	--
Haiti	28,214	30,060	16,669	47,300	253,000	11,500	119,500	--	--	--	2,000
Honduras	15,000	13,490	7,650	100,000	220,000	5,000	156,000	10,000	--	--	--
High income:											
Dominican Republic	74,000	59,950	7,875	218,100	100,000	3,000	93,700	--	--	--	--
Guatemala	--	--	7,164	251,200	176,200	1,000	25,600	--	--	--	1,000
Jamaica	78,850	113,750	485	--	--	--	18,800	--	220,000	238,000	--
Mexico	--	--	--	--	--	--	--	--	--	--	--
Nicaragua	16,500	--	12,267	220,000	--	--	--	--	600,000	820,000	--
Trinidad and Tobago	--	--	--	--	--	--	--	--	--	--	--
Total	212,564	217,250	58,998	951,600	749,200	20,500	673,600	10,000	820,000	1,061,800	--

-- = Not applicable.

^{1/} Discrepancies between total food aid and P.L. 480 are due to different reporting systems. Commodities given as food aid are converted into metric tons. Excluding Grenada.

Sources: Food Aid Bulletin, various issues; Food and Agriculture Organization; U.S. Department of Agriculture; and 1979 Annual Report on P.L. 480, Office of Food for Peace, U.S. Agency for International Development (to be published).

The availability of food supplies in Cuba currently appears adequate, although reported outbreaks of sugarcane rust may reduce sugar output substantially. However, the Communist Bloc countries will likely provide adequate food supplies to Cuba, if necessary.

Jamaica, however, has tremendous social and economic problems and is nearly bankrupt. Although the last available figures (several months old) suggest per capita income and food consumption are well above the average for the Caribbean, recent reports indicate that social and economic conditions in Jamaica have been deteriorating rapidly. Significant proportions of Jamaica's total food requirements may have to be supplied through concessional sales by the United States or other countries to avoid widespread malnutrition in 1980-81.

Conditions in Haiti appear equally bleak. However, the proportion of the total population living in rural areas is much larger in Haiti than in Jamaica, and the total quantity of food grown and consumed in Haiti appears to be under-reported. Haiti will probably need additional supplies of food during the coming year.

Despite low per capita incomes, the Dominican Republic is in a stronger financial position than Haiti and several other countries in the Caribbean. However, the Dominican Republic will need continued food aid in 1980/81 to bolster a marginal dietary situation.

Trinidad/Tobago, which has sizable quantities of gas and oil, has a diversified, growing economy. Although it imports much of its food, no significant deficiencies are expected in this country.

Barbados is the only other former British colony in the Lesser Antilles which is not expected to have a food problem in the early eighties. Current levels of foreign earnings should be more than sufficient to pay for Barbados' food requirements.

The other British territories, as well as former British territories, may be entering a difficult period. The principal islands are the British Virgin Islands, Antigua, Montserrat, St. Kitts/Nevis, Dominica, St. Lucia, St. Vincent, and Grenada. FAO sources estimate that the average daily per capita caloric intake is near the subsistence level (2,000-2,200 calories per day). Dominica was leveled in 1979 by a hurricane and Grenada was hit with torrential rains that may have destroyed up to 30 percent of the "winter crops" and perhaps an equal proportion of the island's infrastructure. Grenada has also been suffering the social and economic consequences of a coup that occurred early in 1979.

Dominican Republic

Summary: With normal weather conditions, agricultural production should return to 1978 levels. If agricultural export prices remain strong, the Dominican Republic should continue to maintain a positive net agricultural trade balance. However, its overall trade balance in 1979 was in deficit. Moreover, despite a forecasted improvement in domestic production in 1980, average per capita caloric intakes remain low (2,107 calories/day).

Agricultural Production, Consumption, and Trade: Due largely to the passage of hurricanes David and Frederick through the Dominican Republic, the index of agricultural production decreased approximately 8 percent in 1979. Commodities showing the largest reduction in production were beans (13 percent), potatoes (13 percent), yucca (11 percent), coffee (33 percent), and plantains (10 percent).

Rice production is estimated at the same level as 1978, 205,000 tons (milled basis). Coarse grains (corn and sorghum) production reached a level of 70,000 tons in 1979 compared with 65,000 tons in the previous year.

Agricultural exports for 1979 are estimated at \$530 million, a 17-percent increase from last year. The traditional exports--sugar, coffee, cocoa, and tobacco--accounted for about 96 percent, over \$500 million, of the total agricultural export value. Agricultural imports for 1979 are estimated at \$230 million. Grains and vegetable oils took the major portion of this amount. The United States supplied the country with an estimated \$180 million in agricultural products, about 78 percent of total 1978 Dominican agricultural imports.

Although the agricultural trade of the Dominican Republic again registered a financial surplus, the amount of surplus declined about 15 percent, from \$280 million in 1978 to an estimated \$240 million in 1979. For FY 79, the United States extended a \$28 million line of credit under the Commodity Credit Corporation (CCC) to purchase U.S. vegetable oil, soybeans, and wheat.

Dominican Republic food requirements continue to rise as population increases. For the years 1975-77, it was estimated by FAO that the average per capita daily food intake was 2,107 calories, 42.8 grams of protein, and 49 grams of fat. Recent estimates show that people with incomes of up to \$200 per month spend 66 percent of their income on food but on a quantitative basis, daily consumption of basic foods is greater for higher income groups than for the lower income groups. Therefore, the lower income groups are probably not receiving a sufficient daily caloric intake. Although the general level of food production has risen over the years, per capita consumption has remained more or less the same, because the output has not kept pace with the requirements for increasing population.

Economic and Financial Situation: The Gross Domestic Product (GDP) is estimated to have registered a growth rate of almost 4 percent when compared with 1978's rate, but this is about 2 percent below that estimated before the devastating hurricanes in late August. Total trade during 1979 is estimated to have been in deficit of almost \$300 million. Preliminary 1979 statistics indicate total exports reached \$775 million, up 15 percent over 1978's levels.

Outlook: Assuming continuation of normal weather patterns and good export prices, the 1980 economic outlook is relatively good. Most of the important Dominican export products are enjoying a period of good prices. Agricultural production is forecast to recover to near 1978 levels.

El Salvador

Summary: El Salvador's production of grain and other domestic food crops reached new records in 1979. Output of livestock products continued moderately contributing to food supplies and a significant rise in agricultural trade. However, production of important export crops was adversely affected by increasing civil disturbances. Also, the economy was weakened by growing uncertainties associated with a change in government which limited investment and reduced financial and foreign exchange reserves.

Agricultural Production, Consumption, and Trade: Total grain production (rice, corn, sorghum) increased from the 1978 high of 693,000 to 735,000 tons; bean output rose from 43,000 to 47,000 tons. High export prices stimulated a further gain in beef output from 36,000 to 38,000 tons while pork reached a new high of 13,000 tons, up from 12,000 a year earlier. Carryover stocks of rice, sorghum, and beans declined. Corn stocks increased from an estimated 17,000 to 27,000 tons during 1979.

Current estimates indicate that per capita food availabilities have continued up moderately from the 1975-77 average of 2,075 calories per day estimated by FAO. July-June consumption estimates for cereals increased from 725,000 tons in 1977/78 to 770,000 tons in 1978/79, with a rise in beans from 40,000 to 43,000 tons. Domestic consumption of beef and pork also continued up, from 43,000 tons in 1978 to 45,000 tons in 1979.

Economic and Financial Conditions: El Salvador's economy came under increasing strain during 1979 because of political unrest and disruptions to industrial and commercial activities. In October, a military-civilian junta assumed power and announced several important changes including nationalization of banking and trade, increase in minimum wages, lowering of consumer prices, and an extensive redistribution of lands under an agrarian reform program. As a result, the level of economic activity fell sharply in late 1979 and largely offset gains early in the year.

Growing conditions for the 1979/80 export crops (coffee, sugar, cotton) were favorable but production declined because of civil disruptions of harvests and marketing.

Coffee exports, about 60 percent of El Salvador's total trade earnings, rose to 187,000 tons during October-September 1978/79, from a year-earlier volume of 149,000 tons, while sugar sales of 137,000 tons were up from 127,000 tons in 1977/78. Cotton exports fell from 60,000 tons in 1978 to 55,000 in 1979, but beef rose from 5,000 to 8,000 tons. Imports were limited mainly to wheat, which continued near the 1978 level of 115,000 tons, and small quantities of processed food commodities. Concessional imports are mainly under Title II of P.L. 480.

Outlook: Because of reduced trade prospects, business uncertainties, and shortages of investment capital, the economy is expected to continue to decline in 1980. Capital shortages and uncertainties regarding stability of the new government may also restrict domestic crop and livestock production, which will increase the need for food assistance.

Guatemala

Summary: Guatemala's domestic food production continued near the year-earlier record in 1979. A further decline in the economic growth rate and a sharp rise in inflation indicated some weakening in food demand. Year-end foreign exchange reserves fell below the 1978 peak but financial resources should permit Guatemala to maintain commercial imports to meet food demand in the coming year.

Agricultural Production, Consumption and Trade: Wheat and sorghum suffered weather damage but production of corn, the principal grain crop, reached a record 980,000 tons, up from 821,000 and 944,000 in 1977 and 1978. Output of coffee, the principal export crop, was near the 1978 record of 152,000 tons and bananas recovered from 472,000 to 475,000 tons. Cotton production fell from the 1978 record of 164,000 to 155,000 tons while beef showed a rising trend, increasing from 91,000 to 96,000 tons.

Current estimates indicate that domestic food availabilities have risen significantly from the 1975-77 average of 2,166 calories per day estimated by FAO. July-June availabilities of grain rose from 1.2 million tons in 1977/78 to 1.3 million in 1978/79, reflecting large supplies and a substantial reduction in carryover stock, particularly of corn. Pulse consumption increased from 73,000 to 83,000 tons. Greater production and strong urban demand maintained a rising trend in meat consumption, from 74,000 and 86,000 tons in 1977 and 1978 to 90,000 tons in 1979.

Economic and Financial Conditions: The Guatemalan economy depends strongly on agricultural trade and heavy inflows of foreign investment capital. Since 1977, it has been weakened because of lower world prices for exports, rising import costs, and civil and economic changes in neighboring central American countries which are important trading partners. The level of economic activity is also influenced considerably by the impact of weather on major export crops, particularly coffee, sugar, and bananas.

In 1979, agricultural products of \$870 million represented 72.5 percent of total exports--principally coffee (\$485 million), cotton (\$195 million), beef (\$42 million), cardamom (\$43 million), sugar (\$30 million), and bananas (\$30 million). Agricultural

imports were \$105 million, or about 7 percent of total imports. Grain, particularly wheat, of \$28 million was the largest agricultural import, followed by dairy products, cereal preparations, and feedstuffs.

Outlook: Political and economic problems in other central American countries and inflation associated with current trade deficits could reduce Guatemala's ability to finance its imports. However, rising world prices for coffee and sugar and favorable prospects for other commodities point to some improvement in trade and the economic situation. Food supplies from 1979 crops continued at high levels with favorable prospects for 1980 production.

Haiti

Summary: Agricultural output declined in 1979. Haiti has suffered trade deficits because of pressure to produce subsistence crops rather than cash crops and because of heavy dependence on food imports. Increasing amounts of food imports and aid will be necessary.

Agricultural Production, Consumption, and Trade: Aggregate agricultural output declined more than 17 percent primarily because of the small coffee crop in 1978-79. Moreover, over the past 6 years, per capita food production levels have dropped well below those attained in the early seventies. Large amounts of rice were imported to compensate for lower production due to heavy rains in 1979. All domestic consumption of wheat is met through imports. Imports dropped 23 percent from 123,000 tons to 94,000 tons.

Economic and Financial Conditions: As a result of poor foreign exchange earnings from coffee in 1978-79, Haiti's balance of payments showed a deficit of about \$12 million. Coffee, the most important cash crop, accounts for one-third of foreign exchange earnings and is the principal source of income for about 1.5 million people. The scheduled downturn of the "good year-bad year" cycle, along with much greater than usual rainfall, reduced the 1978-79 coffee crop about 20 percent, or 24,000 tons. Since 1975, when a severe drought reduced production, Haiti's sugar production has been declining. Serious soil salinity problems, poor production technology, and a shift from sugarcane to other crops have also contributed to the decline. Competition from Mexico, Brazil, and East Africa has challenged Haiti's position as a major exporter of sisal.

Agriculture, the most important sector of the Haitian economy, employs 80 percent of the population and produces over 40 percent of GDP. Potential growth is limited because of overpopulation in fertile areas and continued rapid population growth, low worker productivity because of primitive farming techniques, small farm size, and inadequate transportation. The need to produce cash crops such as coffee, sugar, sisal, and cocoa is hampered by the pressure to produce subsistence crops such as corn, sorghum, and beans.

In 1979, continued growth in light manufacturing and construction industries helped maintain annual growth in GDP which averaged about 2.5 percent per capita during 1970-79.

Outlook: Both the short- and long-range outlooks for increasing food production and nutritional levels in Haiti are poor. Production of rice, corn, dry beans, and peas is not expected to exceed 1978/79 levels. The potential for growth in the agricultural sector is restricted. Per capita income, one of the lowest in Latin America, is not expected to improve much over the 1979 level. More food imports are expected, much of them under concessional food aid programs.

Honduras

Summary: Domestic food production in Honduras continued up strongly in 1979, led by expansion in grains. Agricultural exports helped to maintain a high rate of economic growth. However, the economy came under increasing pressure late in 1979 because of the difficulty in obtaining capital needed for agricultural and economic development. This may increase the need for financial assistance to maintain imports during the coming year.

Agricultural Production, Consumption, and Trade: Production of grain (rice, corn, sorghum) increased from the 1978 record of 429,000 tons to 458,000 tons, and the 1979 bean harvest of 55,000 tons was up from the 51,000 tons of a year earlier. The two principal export crops were also up: coffee increased from 68,000 to 75,000 tons, and bananas went from 1.3 to 1.4 million tons. Beef output was 44,000 tons compared with 44,000 and 51,000 tons in 1977 and 1978. Output of wheat, the principal agricultural import, was estimated to be 76,000 tons in 1979, up from 1978's level.

The latest consumption estimates (FAO) were 2,065 calories per day in 1972-74 and 2,074 in 1975-77. July-June availabilities of grain increased from the 1977/78 high of 478,000 tons to 513,000 tons in 1978/79, with beans rising from 47,000 to 49,000 tons. Meat consumption was estimated near the 1978 record of 30,000 tons. Higher consumption reduced grain stocks from 74,000 tons in July 1978 to 66,000 tons in June 1979.

Economic and Financial Conditions: Honduras depends upon agricultural commodities for about 70 percent of total export earnings, which increased from \$707 million in 1978 to \$843 million in 1979. A moderate decline in coffee earnings was more than offset by increases in bananas, meat, and sugar earnings. Agricultural products are less than 10 percent of total imports, which reached an all-time high of \$1 billion in 1979. International reserves increased to \$209 million in 1979 from \$184 million in 1978. The increased imports reduced import coverage to 11 weeks from 14 in 1978. The debt-service ratio remained low at 9 percent.

Outlook: Late 1979 harvests will provide some increase in supplies of grains and pulses and some further gains are forecast for meat production. However, the economy may be weakened by growing trade and financial problems, and some assistance may be needed for Honduras to maintain imports of wheat and other food products.

Jamaica

Summary: Although aggregate supplies of foodstuffs in Jamaica are adequate for domestic needs, malnutrition exists because of lack of effective distribution among households. Poor performance of agricultural export crops could increase Jamaica's already sizable trade deficit and limit its ability to purchase food imports. Jamaica is currently facing serious external financial difficulties.

Agricultural Production, Consumption, and Trade: Performance in the agricultural sector has been disappointing. Major declines have occurred in traditional export crops, sugar and bananas, due to excessive rainfall. However, production of food crops--corn, rice, and vegetable products--has increased. Domestic rice production is estimated to have increased from 2,400 tons to 4,300 tons. Jamaica supplements domestic food production with imports of bulk commodities--wheat, rice, and vegetable oils. Wheat consumption (all imported) has increased from about 54,000 tons in 1977/78 to 90,000 tons in 1978/79. Domestic rice consumption during 1979 is estimated at 48,000 tons, or 6.6 percent above the 1978 level of 45,400 tons.

Despite the fact that average nutrient availabilities appear adequate at 2,663 calories and 70.5 grams of protein, a high proportion of low-income family members, particularly young children under the age of 5 years, suffer from malnutrition. To assist Jamaica

in meeting its food import needs, the U.S. Government made concessional sales under P.L. 480 in the amount of \$28 million over the last 2 years. In addition, Canada made a general 3-year agreement to assist Jamaica in purchasing 150,000 to 250,000 tons of wheat and/or flour during 1979-81.

Economic and Financial Situation: Lack of foreign exchange and scarcity of skilled labor continue to be the major problems affecting economic activity. Jamaica's public external debt has grown rapidly in recent years and is estimated to have been over \$1 billion at the end of 1979, equal to over one-third of the GDP. However, this debt is expected to decline gradually over the next several years, because of good prospects for exports, especially of bauxite/aluminum and higher sugar prices.

Mexico

Summary: With poor harvests in 1979, Mexico will have to import sizable quantities of corn, sorghum, and wheat. However, Mexico should be able to finance these imports due to increased revenue from oil exports.

Agricultural Production, Consumption, and Trade: Total grain production declined in 1979 to approximately 14.9 million tons from 16.7 million tons in 1978. In addition, bean, chickpea, and potato output dropped from 1.9 million tons in 1978 to 1.7 million tons in 1979. Other vegetable and fruit production increased slightly from 6.7 million tons to 6.8 million, and oilseed output went from 1.2 million tons to 1.9 million tons. Most of the production declines can be attributed to drought and early freezing. Grain stocks were only 1 million tons at the start of the 1979/80 year compared with 1.2 million tons a year earlier. Although the agricultural sector's contribution to GDP is small (10 percent), it provides employment for about 34 percent of the work force. Moreover, agricultural exports currently comprise about one-third of all exports. Given the shortfall in domestic production and stock drawdown coupled with rising oil incomes, Mexican demand for U.S. exports of corn, sorghum, and wheat is expected to increase. However, serious transportation constraints are being experienced because of inadequate port facilities, deteriorating railroads, and a truck shortage.

Economic and Financial Situation: The recovery of economic activity in 1978 has continued into 1979 and Mexico's GDP is likely to be 8 percent higher than the year-earlier figure. The strong growth rate reflects increased public sector spending, particularly on energy, and a dramatic recovery of private sector investment. Inflation appears to be worsening, as it reached nearly 20 percent in 1979. Mexico's current-account deficit will be well above the 1978 figure, probably \$3.0 to 3.5 billion. Mexico's current import requirements, reflecting its high growth rate, coupled with the rising interest on its external debt, have thus far outstripped its capacity to increase oil and other exports. However, Mexico has not had trouble financing the continued deficits from international private capital markets; therefore, the commonly used debt-service ratio does not provide a clear measure of the debt burden.

Nicaragua

Summary: Disruptions of marketing and trade because of the civil war resulted in serious food shortages in late 1979 after the new government assumed power. Also, summer plantings of grain and other basic food crops were reduced sharply. Production shortfalls will necessitate relatively large food imports in 1980. Nicaragua's financial resources are limited and substantial foreign aid will be required to maintain food supplies.

Agricultural Production, Consumption, and Trade: Production of grains (corn, sorghum, and rice) fell from the 1978 record of 373,000 tons to 247,000 tons, and bean output declined from 55,000 to 35,000 tons. The principal export crops were affected to varying degrees by civil disorders. Sugar production from the early 1979 harvest continued

down from 225,000 tons in 1977 and 214,000 tons in 1978 to 212,000 tons in 1979. Cotton plantings were curtailed by labor problems, and 1979 production was 17,000 tons, compared with 109,000 tons in 1978. The coffee harvest declined to 51,000 tons in 1979, compared with 58,000 and 61,000 tons in 1977 and 1978. Large supplies from 1978 harvests helped maintain July-June 1978/79 availabilities of grain near the high 1977/78 volumes of about 389,000 tons. However, availabilities are estimated down to about 300,000 tons in 1979/80, despite some anticipated increase in imports and reduction in carryover stocks.

The preliminary estimate for the 1979 value of exports is \$598 million, compared with \$630 million and \$642 million in 1977 and 1978. Agricultural products were about 75 percent of 1977 export earnings, with coffee and cotton accounting for over 70 percent and meat and sugar for about 15 percent of the agricultural total. Grain, mainly wheat, is the principal import, but Nicaragua supplements domestic production with significant imports of animal fats, vegetable oils, processed foods, and feedstuffs.

Economic and Financial Situation: Commercial sectors of the economy have been weakened severely by 2 years of civil strife and political uncertainty. Current estimates indicate a 7-percent decline in real national income (GDP) in 1978 and a 25-percent decline in 1979 is possible. Capital flight and reduced availability of foreign credits contributed to a large balance-of-payments deficit. Agriculture was less damaged than industry by the civil war, but export production may be seriously affected by limitations on capital and increased government controls.

Outlook: Because of trade and financial problems, the economy will remain under considerable stress in 1980, but the outlook is for stabilization and some recovery. However, inflows of capital are needed for reconstruction and the government must stimulate recovery in food production and other agricultural commodities.

Trinidad/Tobago

Summary: Trinidad/Tobago, given continuing growth in petrochemical, manufacturing, and related export industries, should have sufficient foreign exchange to purchase the food supplies and other consumer products demanded.

Agricultural Production, Consumption, and Trade: Trinidad/Tobago produces some rice and a little corn, but not in sufficient quantities to supply the domestic market. Wheat, barley, and other coarse grains (except corn) cannot be grown on the islands and must be imported. Substantial quantities of oilseeds, vegetables, poultry, and livestock must also be imported to meet the domestic demand.

Sugar, the principal agricultural export for many years, has been declining in importance in recent years due to increasing domestic demand. The 1979 crop of 144,000 tons, the smallest in 28 years, resulted in some sugar being purchased from other countries to meet export commitments. Production of coffee, cocoa, and other subtropical export crops improved some in recent years, but the gains have been attributed primarily to favorable weather.

Agricultural output seems to have stabilized at 85 to 90 percent of its 1961-65 level. Attempts are being made to develop policies which will expand fruit, vegetable, and meat production. But even with additional successes, Trinidad/Tobago will continue to depend mainly on foreign supplies for a wide variety of food commodities.

Overall consumption of grains is expected to rise 2 to 4 percent per year through 1985 as total population and per capita income expand. Rice consumption is expected to increase only slightly from current levels of 40,000 to 45,000 tons per year (30 kg/capita). Consumption of wheat (including flour) is also projected to increase, but less than 1 percent per year from current levels of 110,000 to 115,000 tons (75 kg/capita).

Domestic disappearance of grain, however, is projected to increase 5 percent from current levels of about 80,000 tons. Consumption and demand for vegetable oils and oil-seed meals are also expected to increase 2 to 4 percent per year as long as the foreign exchange earnings of the country remain strong.

The nutritive value of the average diet in Trinidad/Tobago appears to be adequate and improving. Current estimates prepared by FAO suggest the per capita daily diet contains 2,700 calories, 70 grams of protein, and 60 grams of fat.

Outlook: Trinidad/Tobago's general economic outlook is good. Inflation and unemployment appear to be under control. Population growth is down to 1.1 percent per year. Per capita income has tripled since 1973 and currently exceeds \$3,500 per year. Heavy investments in plants and equipment are expected to continue, and several new production lines are scheduled to come onstream in 1980-81. International reserves increased from \$1,805 in 1978 to \$2,138 million at year-end 1979.

South American Regional Summary

This region includes 11 South American countries and represents approximately 6 percent of the world's population. Four countries account for over 80 percent of the region's population: Brazil (51 percent), Argentina (11 percent), Colombia (11 percent), and Peru (7 percent). Except for Argentina, Uruguay, and Guyana, all countries in the region are net importers of grain, and over 50 percent of these imports are supplied by the United States. Grain imports supply over 20 percent of total consumption in seven of the countries. As the composition of the diet is distinctly different in each country, it is difficult to assess the relative importance of these imports in meeting the food needs of the region. In Bolivia, Colombia, Ecuador, and Peru, however, per capita grain consumption is relatively low in comparison with the other countries in the region.

Agriculture's share of the GDP for all countries except Paraguay and Colombia is less than 20 percent (tables 27-29). Nevertheless, the sector directly employs a large percentage of the labor force in several countries--Bolivia (51 percent), Ecuador (47 percent), Brazil (36 percent), and Peru (40 percent). Most countries rely heavily on a few major exports to finance imports of consumer and industrial goods. In Venezuela, Bolivia, Ecuador, Colombia, Chile, and Paraguay, the three largest exports account for over 50 percent of the value of merchandise exports.

Five countries registered a deficit on their current merchandise trade account in 1979. The size of the deficit relative to the value of their exports--Paraguay (66 percent), Bolivia (45 percent), and Chile (19 percent)--increased over 1976/78, which indicates a worsening trade situation. Capital inflows compensated for Chile's imbalance and resulted in an increase in import coverage from 13 to 25 weeks in 1979.

The major recipients of P.L. 480 grain and vegetable oils in the region during FY 79 were Peru, Bolivia, Chile, Colombia, Ecuador, Brazil, Paraguay, and Guyana.

Argentina

Summary: Despite moderate growth in its agricultural sector during 1979, Argentina maintained its role as a major exporter of wheat, corn, sorghum, soybeans, and beef. However, reduced agricultural production will lower the volume of agricultural exports in 1980.

Agricultural Production, Consumption, and Trade: Overall, agricultural production showed only moderate growth in 1979. Declines in the production of major grain crops due to weather were offset by large increases in output of oilseeds (led by soybeans)

Table 27--South America: Total grain production, net imports, and per capita availability

Country	Production			Net imports			Per capita availability ^{4/}			
	1978/79 : forecast	1978/79 : trend ^{1/}	1970-79 : Variation ^{2/}	1978/79 : forecast	1979/80 : consumption	From United States ^{3/}	1978/79 : forecast	1979/80 : forecast	1972/74- 1978/79 : trend	Variation 1978/79 : trend ^{2/}
	1,000 metric tons		Percent	1,000 metric tons		Percent				
Low income:										
Bolivia	497	461	1.4	267	250	35	123	144	1.1	3.6
Guyana	184	135	4.1	-57	-21	--	168	177	NA	NA
Middle income:										
Argentina	25,553	20,855	3.5	-14,197	-9,790	--	456	461	-5	4.4
Brazil	24,697	27,883	3.0	6,253	4,495	14	264	271	5.0	3.1
Chile	1,868	1,692	6.1	1,046	1,109	39	258	258	3.6	4.6
Colombia	2,658	2,801	5.8	466	810	24	126	128	6.7	3.4
Ecuador	320	343	-1.2	325	397	54	102	100	6.9	5.6
Paraguay	467	444	6.4	100	110	20	198	186	7.3	11.3
Peru	1,191	1,259	-8	894	1,145	24	133	133	-9	4.6
Venezuela	1,499	1,704	9.6	1,924	1,733	45	223	227	10.9	4.6
Total	58,934	57,577	--	-2,727	238	--	--	--	--	--

NA = Not available.

-- = Not applicable.

^{1/} Trend growth rate in production based on calendar year.^{2/} Variation is calculated as a coefficient of variation from trend.^{3/} Share of total imports from the United States.^{4/} Trend growth rate is per capita grain availability based on statistics in appendix table 1.

Sources: Foreign Agricultural Service; and Economics, Statistics, and Cooperatives Service.

Table 28--South America: Economic and financial indicators 1/

Country	Real GNP growth rate		Trade balance/ exports		Import coverage		Debt/GNP		Debt-service ratio		Commodity concentration ratios	
	1976-78 average	1979	1976-78 average	1979	1976-78 average	1979	1975-77 average	1978	1976-78 average	1979	1976-78 average	1979
	Percent		Percent		Weeks		Percent		Percent		Percent	
Low income:												
Bolivia	4.5	2.0	-26	-45	15	8	40	62	33	35	29	29
Guyana	-4.9	1.0	-15	-5	6	2/3	78	94	15	45	78	78
Middle income:												
Argentina	.9	4.0	30	18	44	2/76	11	12	24	20	29	29
Brazil	6.7	5.0	-21	-18	31	3/27	11	15	24	42	43	43
Chile	6.7	7.0	-7	-19	13	25	32	29	40	33	58	58
Colombia	6.0	5.0	8	12	40	56	15	13	14	12	69	69
Ecuador	7.4	8.0	-14	12	24	28	14	23	10	25	71	71
Paraguay	8.7	8.0	-28	-66	48	31	13	18	11	15	57	57
Peru	-2.2	2.0	-24	44	9	41	30	43	37	46	41	41
Venezuela	6.7	6.0	27	7	41	33	9	17	7	13	97	97

NA = Not available.

1/ 1979 figures are estimates or projections. See glossary for explanation of indicators.

2/ November 1979 reserves.

3/ October 1979 reserves.

Sources: World Bank; International Monetary Fund; U.S. Central Intelligence Agency.

Table 29--South America: Total and U.S. food aid, fiscal year 1979 1/

Country	U.S. food aid										
	Total food aid	P.L. 480		Title II aid, by program							
		Title I	Title II	Development				Emergency			
				Maternal-child feeding	School feeding	Other child feeding	Food for work	Refugee	Disaster	General relief	
	Metric tons										
Low income:											
Bolivia	91,000	91,570	14,086	185,000	164,000	18,800	701,000	--	--		8,000
Guyana	3,270	324	117	--	--	--	5,000	--	--		2/--
Middle income:											
Argentina	--	--	--	--	--	--	--	--	--		--
Brazil	37	--	1,679	209,000	472,000	--	--	--	--		--
Chile	--	--	20,558	120,000	600,000	171,000	120,000	--	--		--
Colombia	40	--	3,882	462,000	--	--	--	--	--		--
Ecuador	--	--	5,280	138,000	15,000	10,000	76,750	--	50,000		3,500
Paraguay	--	--	344	93,000	--	--	6,000	--	--		--
Peru	80,507	99,320	37,026	179,400	500,000	63,700	347,400	--	100,000		--
Venezuela	--	--	--	--	--	--	--	--	--		--
Total	174,854	191,214	82,972	1,386,400	1,751,000	263,500	1,256,150	--	150,000		11,500

-- = Not applicable.

1/ Discrepancies between total food aid and P.L. 480 are due to different reporting systems. Commodities given as food aid are converted into metric tons.

2/ Self-help, 20,000 tons.

Sources: Food Aid Bulletin, various issues; Food and Agriculture Organization; U.S. Department of Agriculture; and 1979 Annual Report on P.L. 480, Office of Food for Peace, U.S. Agency for International Development (to be published).

and fruits. The livestock sector's output was down slightly because of market retentions as cattle herds began to rebuild after 4 years of increasing slaughter. Large stocks of grain and oilseeds are not maintained due to the shortage of storage facilities. As a result, the excess supply over domestic requirements is exported within the marketing year and only small carryover stocks are held.

Agricultural trade currently represents from 75 to 80 percent of total export value. Major exports include beef, corn, wheat, soybeans, and grain sorghum.

Economic and Financial Situation: The high inflation rate continues to plague economic policymakers, but progress was made in reducing the year-end rate (December) from 170 percent in 1978 to 140 percent in 1979. GDP grew 7 to 8 percent compared with a decline of 4 percent in 1978. Rising world prices and an increasing level of agricultural exports were responsible for the significant gains in exports value. Exports of nontraditional commodities such as soybeans, fruits, fish, and processed and semiprocessed leather goods also showed strong growth. International reserves were at record levels at the end of 1979 (\$10 billion). Inflows of short-term capital were also encouraged by differential interest rates and an exchange rate devalued at a much lower rate than domestic inflation (62 percent versus 140 percent). Lower import taxes and rising petroleum prices combined with reduced agriculture exports predicted for 1980 could begin to draw down the large foreign reserves holdings built up during the past few years.

Outlook: Production may be reduced by the dry, hot conditions that existed during critical plant development stages of corn, soybeans, and sorghum. Corn and sorghum output will be down almost 4 million tons compared with the 1979 level. Beef production will be down about 5 percent, to about 2.9 million tons as herd rebuilding continues. Wheat production is expected to recover to somewhat above the 1978 level of 8.1 million tons as producers respond to high prices.

Bolivia

Summary: Bolivia's food supply continues to be below adequate levels. The outlook for 1980 is unfavorable, given preliminary estimates of food production. A recurrent trade deficit, declining international reserves, and a growing debt burden indicate that Bolivia will continue to require financial assistance.

Agricultural Production, Consumption, and Trade: Based on preliminary information, Bolivia's food production declined in 1979, but was exactly on trend for 1954-79. The per capita index of food production in 1979 was 95, the lowest since 1972 when it was 92 (1961-65=100).

Over a third of Bolivia's cultivated cropland is planted to corn and potatoes. These crops account for over half of all crop production. While potatoes, the food staple of the highlands, appears to have remained at around 800,000 tons, corn, a major food crop in the central valleys, declined perhaps 10 percent to around 300,000 tons. The decline in corn was based on decreases in both area and yield. Low 1978 producer prices affected planting decisions for the 1979 crop, and heavy rains at harvest time damaged part of the harvested crop. Price and weather factors also reduced the 1979 area and yield of a third food staple, rice. Rice output was reduced nearly a third, to 60,000 tons. Rice is a staple primarily in the easternmost part of the country. Livestock production, of which 60 percent is beef and veal, was approximately the same in 1979 as in 1978--around 127,000 tons--and 8 percent above trend. Poultry continued to expand; around 14 million birds were raised for broiler production in 1979.

Bolivia's principal exports are tin, minerals, and natural gas; agriculture contributes only around 10 percent to total foreign exchange earnings. In 1979, exports of sugar,

cotton, and coffee (the major agricultural exports) were 104,000, 10,000, and 8,000 tons, respectively, compared with 78,000, 6,000, and 6,000 tons in 1978.

Bolivia's main food import is wheat. In 1979, wheat imports amounted to 199,000 tons and 57 percent of total wheat supply. Much of the wheat is provided under P.L. 480. Bolivia also imported 11,000 tons of soy oil and 20,000 tons of rice. Rice imports, unusual for Bolivia, were necessitated by a sharply lower crop.

The decrease in per capita food production (only partially compensated by imports) as well as rising food prices and lower real incomes suggests that Bolivia's already low level of per capita food consumption declined in 1979. According to 1974 data from the World Bank, Bolivia's available daily calories per capita at that time were only 77 percent of the requirement. Per capita food supply in 1979 was lower than in 1974. Also, the Interamerican Development Bank has reported that during the first half of 1970, 40 percent of all Bolivian children under 5 years of age suffered protein-calorie malnutrition.

Economic and Financial Situation: Bolivia's external financial situation deteriorated in 1979. The country is now seeking assistance from a number of multilateral leading institutions (including the International Monetary Fund, World Bank, Andean Development Corporation, and others) for its balance-of-payments problems. The trade deficit is about 45 percent of the value of its exports. International reserves have declined and the debt to GNP ratio has increased.

Outlook: So far more favorable weather has characterized this growing season and 1980 production should improve for most crops. Nevertheless, given that Bolivia's trend growth in grain production has been one of the lowest in South America (1.6 percent per year for 1970-79), its dependency on grain imports (36 percent of total grain consumption) will need to continue. Moreover, given Bolivia's trade deficit and sizable debt burden, these imports will have to be concessional.

Brazil

Summary: In contrast with 2 successive years of drought and lowered food production, the outlook for 1980 production is favorable. Brazil's dependency on agricultural exports and its need for foreign exchange could reduce food supplies available for domestic consumption.

Food Production, Consumption, and Trade: Total food production, because of 2 successive drought years, was off in 1978 and 1979 from the high level of 1977 when grain production was 22 million tons. Rice, the major food, fluctuated less than grain because of irrigation, and production was 5.17 million tons (milled) in 1979, compared with 5.44 million tons in predrought 1977. Production of grain in 1979 by commodity was milled rice (5.2 million tons), wheat (2.5 million tons), and corn (16.5 million tons). Other staples include beans (2.28 million tons), cassava (25 million tons), and bananas (4.49 million tons).

Brazil's consumption of wheat in 1979 was 6.7 million tons, compared with 5.95 million tons the previous year. Rice consumption (milled) was 5.85 million tons, compared with 5.38 million tons the previous year. Total corn consumption was 17.6 million tons, of which 14.8 million tons went toward meeting the feed requirements of the poultry and mixed feed industry.

The value of agricultural exports in 1979 was \$7 billion, an increase over 1978, but still \$600 million below the 1977 level. Brazil's major agricultural exports in order of importance are: coffee, soybeans, cocoa and products, sugar, and orange juice. In turn, Brazil imported wheat (3.9 million tons), rice (0.7 million tons) and corn (1.5 million tons), all on commercial terms.

Economic and Financial Situation: Brazil's domestic economy is suffering increasing inflation. GNP growth was about 6 percent in 1979, but inflation was 77 percent, an advance over the 41 percent of 1978 and 39 percent of 1977. The trade deficit for 1979 was \$2.7 billion, compared with a \$1-billion deficit in 1978 and a small favorable balance in 1977. The level of foreign exchange reserves in December was \$9.5 billion. Brazil paid nearly \$6.2 billion for petroleum and about \$10 billion in interest and amortization payments on \$50 billion of debt. Agricultural exports are being pushed to handle these two balance-of-payments problems.

Outlook: Brazil's food outlook for 1980 is favorable because weather has been excellent, price incentives and support prices high, and agricultural credit generous. The government is emphasizing agriculture as a source of foreign exchange and an antidote to inflation. The northeast area, however, is expected to continue to suffer from the drought and chronic food shortages.

Chile

Summary: Chile's agricultural sector and general economy experienced substantial growth in 1979. Prospects for 1980 appear favorable, except for a continued shortfall in total grain production which will have to be met by increasing imports.

Agricultural Production, Consumption, and Trade: In general, agricultural production increased because of reasonably good weather, an improving economy (which strengthened consumer demand and stimulated credit demand for investments in the agricultural sector), and price incentives for producers. Grain production was up 31 percent over the low 1978 output. Although three crops (corn, oats, rice) achieved record yields and production levels in 1979, overall grain production did not regain the level reached in 1977. This was because the single largest crop, wheat (over 50 percent of all grain production) recovered only partially. Stimulated by strong consumer demand, production of livestock and poultry was up 15 percent over that in 1978. Production of oilseeds, pulses, and fruits also increased. Commodities declining in output in 1979 included sugar, milk, and the root crops (mostly potatoes).

Wheat stocks remained unchanged at 335,000 tons. Owing to the unusually high corn, oats, and rice crops, stocks of these grains nearly quadrupled their combined 1978 level of 40,000 tons. A policy commitment by the Chilean Government to permit any and all imports, combined with a steadily growing economy and strong domestic agricultural production, ensured a larger quantity of food available for consumption in 1979. Consumption of wheat, the most important foodstuff in the Chilean diet, rose 5 percent over 1978's level, but was 4 percent below 1977's level. Despite the strong increase in production, Chile remains highly dependent on agricultural imports to meet domestic requirements. During the seventies, imports accounted for 40 percent of wheat, and in 1979 represented 47 percent. Chile has also depended on imports for substantial proportions of its corn, sugar, banana, edible oil, and cotton needs.

Agricultural imports in the first 11 months of 1979 were valued at \$560 million, compared with \$490 million during the same period in 1978. The principal imports were grain, \$175 million, down 15.5 percent by value due to a decrease in wheat, corn, and rice imports. Sugar and confectionary products were \$68 million, up 215 percent over 1978 because of larger quantity and price increases. Fats and oils were \$57 million, up 36 percent. Although Chile did not receive P.L. 480 Title I or CCC assistance in 1979, it did receive Title II aid, primarily for school feeding programs. In 1978, when the economic outlook was more uncertain and agricultural output was smaller, Chile received not only Title II but also \$46 million in CCC credit for soybean oil, and roughly a third (300,000 tons) of the wheat it purchased came from the United States.

Agricultural exports in the first 11 months of 1979 were valued at \$318 million, compared with \$250 million for the same period in 1978. The principal exports were fruits

(\$132 million, up 24 percent from 1978), pulses and onions (\$47 million, up 13 percent), and alcoholic beverages and vinegar (\$26 million, up 291 percent). Both price and quantity increases were responsible for these gains.

Economic and Financial Situation: Chile's economy has made substantial progress since its low point in the midseventies, although many problems persist. On the positive side, it enjoyed real GDP growth of 7 percent, in part based on the rapid growth and diversification of exports. Some indicators of positive developments in the economy included growth of the job market, a reduction in the trade deficit, and an increase in foreign exchange reserves. On the negative side, however, the economy continued to experience high rates of inflation and unemployment, and it continued to depend on imported petroleum products for 75 percent of its energy requirements (21 percent of the value of imports in 1979).

Outlook: The outlook for the economy in 1980 is good. Export earnings should grow, both because of favorable copper prices, the single largest contributor to export earnings, and because of an increase in the volume of other exports. Inflation will remain a key problem. Agricultural production is expected to make modest gains in the traditional crops and to continue its rapid growth in international markets for nontraditional commodities, particularly fruits. Because of the continued recovery in the overall economy, consumer demand for livestock products should remain strong. Pork and poultry expansion will likely necessitate additional grain imports, even if corn production remains high. Finally, because of the commitment to keep the economy open to international trade, agricultural imports of less efficiently produced commodities--particularly wheat--will continue and possibly increase.

Colombia

Summary: Colombia has experienced rapid growth in production of its agricultural export crops and slightly slower growth in the starchy staples which provide a major portion of the calories consumed by the poor. Foreign exchange reserves are currently at record levels, but reduced prospects for coffee exports, because of lower world prices, could alter Colombia's ability to finance its food imports.

Agricultural Production, Consumption, and Trade: The greatest increases in production of food staples occurred in rice, corn, and unrefined sugar (panela), all up 8 percent over 1978 levels. However, the major sources of calories in the diet, corn (maize), potatoes, cassava, and plantains registered only marginal increases, up by about 1.5 percent. In contrast, the greatest production increases during 1979 occurred in the export crops. Coffee output continued to increase in response to favorable world prices. Similarly, cotton production rose 43 percent because of a large increase in the area harvested and improved weather. Other export crops also increased--tobacco production was up 7 percent and bananas, 12 percent.

Colombia continued to import large quantities of wheat (474,000 tons), sorghum (118,000 tons), and corn (72,000 tons), in addition to soybeans (35,000 tons). These imports supply a substantial proportion of domestic consumption of these crops and help facilitate a growing livestock sector. Stocks varied widely from the end of 1978 to the end of 1979. Sorghum went from 110,000 tons to 40,000 tons. Stocks of barley, rice, and soybeans rose while stocks of wheat and corn were 101,000 tons and 53,000 tons, respectively.

Coffee exports were the largest ever, 11.5 million bags, up 22 percent from 9 million bags in 1978. As a result, international reserves were \$4 billion at the end of 1979. Other exports included rice, sugar, bananas, cotton, and tobacco.

Economic and Financial Situation: Colombia's economic growth slowed to 5 percent in 1979. Partly as a result, import demand slackened and Colombia maintained a positive

trade balance. Import coverage increased to 56 weeks, second only to Argentina's. Debt relative to GNP and Colombia's debt-service ratio also declined, indicating a strong external sector.

Outlook: The Colombian agricultural outlook for 1980 is uncertain due to the heavy rains during October-November. Production of coffee, rice, sorghum, bananas, and cotton will likely be reduced in 1980. Losses of the coffee crop in the Central Andean Region may reach 20 percent. The marketing and exportation of these crops will also be affected adversely as the rains washed out many roads in the principal agricultural regions.

Political uncertainties may influence agricultural trade in 1980. Venezuela, Colombia's traditional market for cattle, has closed its borders to beef imports to spur national production.

Ecuador

Summary: In 1979, agricultural production in Ecuador was valued at \$242 million (at constant prices), an increase of 10 percent over 1978. Much of this gain is due to the production of high-value export crops. However, since 1976, an extended drought has depressed the production of food crops for local consumption, and Ecuador has imported significant quantities of grains and vegetable oils. These imports have been financed by the nation's oil export revenue, up 80 percent in 1979 to \$920 million.

Agricultural Production, Consumption, and Trade: Production of most food crops for domestic consumption dropped or was stagnant in 1979. Wheat production decreased 42 percent to 24,000 tons, while hard-corn production was 136,000 tons, down 29 percent from 1978. Barley (130,000 tons) and sorghum (2,000 tons) were down 6 percent and 50 percent, respectively. Rice (121,000 tons), potatoes (545,000 tons), and oats (500 tons) were all stagnant.

Export crops contributed 60 percent of the total value of national crop production in 1979. Sugarcane production was up 11 percent to 393,000 tons and cocoa production increased 9 percent to 85,000 tons. Production of the major export crop, bananas, was up 4 percent to 2,391,000 tons. While cotton (10,000 tons) and tobacco (2,500 tons) remained stable, coffee slumped 6 percent to 85,000 tons. Livestock and dairy production rose to \$86 million (constant prices) in 1979, or 3 percent over 1978's level.

Beef and veal production reached 87,000 tons, up 9 percent, and pork increased to 43,000 tons, a 10-percent gain. Milk output decreased about 3 percent to 623,000 tons and mutton and lamb did not change, at 3,000 tons.

Per capita food consumption probably dropped in 1979, as the population growth rate was 3.4 percent, and aggregate food consumption appears to have increased only about 1 percent. Per capita calorie consumption in Ecuador is estimated to be 8 percent below the FAO daily requirement (2,290 calories). Local stocks of corn, barley, oats, and rice are minimal--in no case greater than 6 months' consumption. However, Ecuador's petroleum revenues would permit the importation of these commodities if needed.

Major imports for 1979 in tons were: wheat, 270,000; soybeans, 166,300; and rice, 50,000. Ecuador also received a small amount of Title II, P.L. 480 food aid: 3,310 tons of wheat and flour products; 3,462 tons of oats; 1,050 tons of dry milk; and 1,416 tons of vegetable oils and other goods.

Economic and Financial Situation: Real per capita GNP growth in 1979 (8 percent) was slightly above the 1976-78 average. The trade balance for Ecuador improved; the value of the trade surplus was roughly 12 percent of the value of merchandise exports.

Outlook: The outlook for 1980 is for continued agricultural stagnation. Drought conditions have not improved and there is some question as to whether attempts to return the country to civilian rule will be successful. Urban residents are pushing for higher wages and lower food prices. It is unclear where agriculture ranks on the government's list of priorities.

Guyana

Summary: Per capita food production declined in 1979. Inequitable distribution of food has resulted in insufficient diets for some segments of the population. Shortages of foreign exchange may hamper the country's ability to import food. Domestic food supplies appeared to be extremely tight in 1979, with little hope for improvement in 1980.

Agricultural Production, Consumption, and Trade: Total agricultural output of all commodities increased somewhat during the seventies, but not enough to compensate for the 50-percent population increase recorded since 1960. Per capita production in 1979 was down about 25 percent from the average for 1961-65.

Historically, Guyana has been a net exporter of sugar, rice, alumina, timber, coconuts, manganese, gold, and diamonds, and a net importer of wheat, flour, vegetable oils, and other agricultural products. Some corn and sorghum are grown in Guyana, but the climate is not suitable for wheat production. All wheat and wheat products must be imported.

Sugar and rice output were down 10 to 20 percent in 1979 due to extremely wet weather early in the year, but this did not affect the supplies available for local consumption or export as sizable carryover stocks remained from previous years. Exports were up slightly over 1978 levels, as stocks were reduced to a minimum in 1979.

Demand and consumption of all food products are tightly rationed by government controls on both prices and supplies. This made it possible for Guyana to honor export commitments even though production was reduced.

The daily per capita caloric intake decreased slowly between 1966 and 1974 but food consumption appears to have increased slightly in recent years. However, significant pockets of poverty may exist where the daily intake periodically drops below subsistence standards.

Some capital investments are currently being made in the agricultural sector to expand cultivated acreage and improve yields, but significant payoffs from these investments are not expected for 2 to 3 years. Political unrest in recent years has also depressed food production.

Economic and Financial Situation: The economy has recently suffered serious setbacks. Growth rates were negative in 1977 and 1978 and no real growth was expected for 1979. Guyana has had large trade and current-account deficits the last several years because of export shortfalls. Capital inflows have not been adequate to make up the difference. The overall balance of payments in 1979 was expected to show a sizable deficit compared with the small surplus registered in 1978.

In recent years, foreign purchases of basic agricultural commodities have been constrained by limited supplies of foreign exchange. Guyana has indicated a continuing interest in concessional purchases of wheat, flour, and edible oils from the United States in 1980.

Outlook: Prospects for substantial improvements in the diets of large segments of the population of Guyana appear limited. Even with good growing conditions and improved

business activity, the availability of foreign exchange may deteriorate as petroleum prices rise. This will make it difficult for the government marketing boards to purchase the wheat, flour, and other import items. Furthermore, any surpluses of agricultural products produced will most likely be exported or stockpiled to improve the nation's exchange position. It is also anticipated that the government's anti-inflationary policies, which maintain low producer prices and wages, will continue to discourage improvements in agricultural productivity.

Paraguay

Summary: Paraguay exports soybeans, beef, cotton, and coffee and imports over two-thirds of domestic wheat requirements. Despite a mounting trade deficit, international reserves are growing due to foreign capital inflows. Consequently, Paraguay should be able to finance its food import requirements during 1980.

Agricultural Production, Consumption, and Trade: Moderate growth in the production of crops was offset by a reduced livestock sector. Based on production indices, total food output (crops and livestock) declined 1.5 percent in 1979, compared with a decrease of 5 percent in 1978. Soybeans were the major growth crop as area expanded and yields recovered from earlier drought conditions. Other food crops showing significant increases in production include wheat, corn, and rice. Cassava, the largest crop, was down 19 percent in output. Beef production was off 29 percent at 70,000 tons. Live cattle sales to Brazil and subsequent herd rebuilding during a period of high prices caused the reduced supplies.

Little or no government regulations mean that producers can substitute among crops to reach the maximum economic returns per unit of land. For this reason and also because of rising prices, soybean and cotton areas have rapidly expanded over the past few years, largely at the expense of tobacco. For some time, the government has promoted the expansion of wheat production, but unfavorable climate and the inability to find a suitable wheat strain have hampered the efforts to make Paraguay self-sufficient in its largest food import commodity. In the medium term, expansion or development of food commodities could be limited by insufficient storage capacity and by an inferior transportation network.

Agricultural exports account for 85 to 90 percent of the total value of exports whereas agricultural imports are only 4 to 5 percent of the total import bill. Export data through October 1979 indicate a substantial increase in agricultural trade over 1978. Major export gains were registered for soybeans and coffee. Tobacco exports continued to decline, reflecting the substitution of other crops. Beef exports were also down due to the tight domestic situation. Other major agricultural exports--including fruits and vegetables, cotton, and oilseed meals--are expected to change little.

Paraguay continued to import about two-thirds of its domestic wheat requirements of 150,000 tons. Argentina supplies the bulk of the country's wheat imports with only minor amounts provided by food aid.

Economic and Financial Situation: Paraguay's economy grew at a slightly slower rate (8.0 percent) in 1979 than in the previous 2 years. In addition to agriculture's contribution to the overall growth rate (28-30 percent of GDP), the construction in conjunction with Brazil of the world's largest hydroelectric complex on the Parana River has been a major factor in creating employment and demand. In combination with a relatively high rate of inflation (30 percent in 1979), Paraguay has encountered a recurrent trade deficit on its merchandise trade account (\$70 million in January-October 1979). Despite this deficit, international reserves have increased continually over the last 3 years. However, import coverage has declined, and current reserves cover about 31 weeks' of imports. The ratio of debt to GNP has increased (18 percent), but remains one of the lowest in South America.

Outlook: Expansion of soybean and cotton areas is expected as world prices continue to favor these crops. Dry weather during December and January may have affected the soybean crop. Beef production could increase slightly, but will remain below earlier high levels as herds are rebuilt. No significant changes are expected in other agricultural commodities.

Peru

Summary: Peru's agricultural production in 1979 was down 2 percent, measured in constant prices. Peru has large segments of the population which suffer from malnutrition. The rapid population growth, slow or no growth in production of agricultural commodities, and reduced purchasing power of Peruvians have most likely worsened this situation. Additional grain, vegetable oil, and dairy imports have alleviated the food problem only partially.

Agricultural Production, Consumption, and Trade: Peru's 1979 aggregate food production, measured in constant prices, fell 2 percent (over 4 percent per capita) from the 1978 level and was the lowest in over a decade. Although some recovery occurred in grain production from the poor 1978 performance, meat and poultry production (except pork) remained depressed and output of important crops such as sugarcane and potatoes declined for the second year in a row. The short-term cause of the generally low level of production was drought, which occurred for the second consecutive year. However, longer term causes were involved, including financial difficulties affecting investment which had persisted from the 1974-78 economic crisis. The bright spots in 1979 were cotton and coffee. These two export crops benefited from rising producer prices and tax policies favoring exports.

Because of increased imports, 1979 ending stocks of wheat returned to their 1977 level of 60,000 tons. Imports also enabled rice stocks to rise from 10,000 tons in 1978 to 60,000 tons in 1979. Of the other grains--corn (20,000 tons), sorghum (30,000 tons), and barley--already small stock levels were unchanged at the end of 1979.

Because of a combination of high population growth and slow or no growth in production, per capita consumption declined in most commodities. Meat consumption per capita has been declining through the decade, despite the "poultry boom" of the midseventies.

Peru has long had difficulty meeting its nutritional needs. In the early seventies, according to the World Bank, 28 percent (4.5 million) of Peru's population were unable to meet minimum food requirements. Several studies have shown nearly half of all Peruvian children are malnourished. Although increased foreign exchange reserves meant the Government could finance food imports, inflation and unemployment contributed to sharply higher retail food prices and less purchasing power. Consumer subsidies on some foodstuffs, reinstated in 1979, eased the food situation only partially.

Peru's agricultural imports were \$300 million in 1979, of which 57 percent came from the United States. The value of agricultural imports in 1979 was approximately 20 percent higher than in 1977 and 1978, due to both higher prices and larger import volumes. Wheat, the single largest component of the import bill, amounted to 825,000 tons valued at \$141 million. The only commodity imported under P.L. 480, Title I, was milled rice. Of the 150,000 tons imported, 45,000 tons were covered under this agreement. This represents a change from 1978, when wheat, soybean oil, and rice were all imported under P.L. 480, Title I.

Peru's agricultural exports were valued at \$420 million (f.o.b.) in 1979, compared with \$315 million in 1978 and \$370 million the previous year. Coffee exports accounted for 58 percent of the 1979 earnings. Sugar, the single largest Peruvian export in 1975, has contributed increasingly smaller amounts to foreign exchange earnings, due to production difficulties.

Economic and Financial Situation: Peru's economy has made significant strides towards recovery since its low point in mid-1978. The trade surplus rose from a low of \$181 million in 1978 to \$1.27 billion in 1979. Peru's balance-of-payments position improved, and the country did not have to refinance its 1980 foreign debt. However, high inflation (68 percent in 1979), unemployment, and underemployment continued to characterize the economy. Population growth equaled the growth of GDP at 2.8 percent.

Outlook: The outlook for production, even once the drought breaks, is dim because the agricultural sector has not received the attention needed to stimulate sustained growth. However, many positive steps were taken in 1979 which could help achieve this objective. These include a real increase of 50 percent in agricultural research and a greater inflow of international development aid. Consumption is expected to recover somewhat as the economy continues to improve and some increase in purchasing power occurs. Imports of grains, dairy products, and vegetable oils are needed to meet domestic needs.

Venezuela

Summary: Agricultural and food production increased 6 percent in 1979. Nevertheless, Venezuela imported approximately 40 percent of its domestic food needs to meet rising demands that are being generated by rapid growth in incomes. Its ability to finance these imports in the near future will depend on its ability to export petroleum and on international prices.

Agricultural Production, Consumption, and Trade: Total food production for 1979 rose 6 percent from 1978. The overall production of basic items in the national diet (rice, beans, potatoes, corn, meat, and milk) increased 6 percent; animal products also registered strong gains. Pork production rose to 105,000 tons, 13 percent over 1978. Similarly, poultry production increased 12 percent to 211,000 tons, while beef and veal output rose to 292,000 tons, 3 percent higher than 1978. Stocks of grain in 1979 remained at about the same level as 1978, between 277,000 and 337,000 tons. Preliminary figures indicate that per capita consumption of selected commodities increased 13 percent.

Although the production of Venezuela's major agricultural export crops (coffee, cocoa, and tobacco) was down 15 percent, the volume of exports increased 16 percent, a result of lowering stocks. Meanwhile, the value of agricultural exports was \$105 million, up from \$101 million in 1978.

Agricultural imports decreased 3 percent in value in 1979 to \$1,210 million, yet Venezuela must import about 40 percent of its food needs. Almost half a billion dollars (\$480 million in 1979) of those imports are U.S. agricultural products. Principal food imports were wheat, sorghum, soybeans and soybean meal, sugar, and vegetable oil. All were commercial imports as there are no concessional sales to Venezuela.

Economic and Financial Situation: In 1979, the growth rate of the Venezuelan economy slowed to 4 percent, the lowest level in several years. By early 1979, it was evident that the Fifth Development Plan (1976-80), based on the expansion of heavy industry (aluminum, iron, steel, power, and coal) was straining the financial capacity of the nation. Foreign debt increased rapidly from \$4.6 billion in 1977 to \$7.7 billion in mid-1979. A considerable portion of this debt was financed through short-term loans and required an extensive debt service. By 1978, the current account deficit was \$5.3 billion. Severe inflationary pressures were being masked by widespread price controls and increasing government subsidies for essential food items.

Beginning in March 1979, the government acted to alleviate some of these problems. First priority was placed on bringing public spending under control. Large-scale national development projects in steel, power, and transportation were reexamined. Restrictions were placed on new government borrowing and a target set for reducing the

level of external debt. In an effort to control inflation, up 9 percent in August alone due to the lifting of price controls, the government tightened local credit availability. It lowered import duties 30 to 50 percent on many foods to exert downward pressure on food prices. These measures will help to set the stage for resumed growth in the eighties at a more sustainable rate than the 9-percent average growth of 1973-77.

Outlook: The Venezuelan agricultural sector can be expected to continue its expansion over the next several years. The new government has given agriculture high priority and has allocated \$4.3 billion to increase production over the next 5 years. Nevertheless, because of the steady growth of per capita income (10 to 12 percent a year) and rapid urbanization, the demand for food will continue to surpass domestic production. Consequently, Venezuela will continue to import considerable quantities of food.

SUPPLY POSITION OF THE MAJOR FOOD AID DONORS

Summary

The United States provides well over half of world food aid in a given year (table 30). Other developed nations are also important suppliers (table 31). The European Economic Community (EC), Canada, Australia, Japan, and Sweden provided about 31 percent of total food aid in 1978/79, and their share is expected to exceed 35 percent in 1979/80. Of these suppliers, only Australia and Japan have stock levels large enough to make major increases in food aid in 1979/80. Australia's excellent crops in recent years have left ample domestic grain stocks, and high Japanese rice yields have contributed to a surplus situation. The EC and Canada will provide grains at their committed levels of 1.3 and 1.0 million tons, respectively. Including some 200,000 tons of food aid to Cambodia (Kampuchea) from Communist countries, the smaller donors will increase their assistance from about 550,000 tons in 1978/79 to about 680,000 tons in 1979/80.

Australia

Agricultural Conditions

The 1978/79 crop year was excellent for the winter small grains and resulted in record wheat and barley crops. Wheat production rose to a record 18.1 million tons, allowing exports to rise to 11.6 million tons and stocks to 4.6 million tons. Total coarse grain production was almost 7 million tons, of which 3.3 million tons were exported; ending stocks rose to 1.9 million tons. Although not much rice is produced, output is rising, and reached 494,000 tons in 1978/79. Stocks of dairy products and oilseeds are adequate for domestic needs.

Prospects for the 1979/80 crop year are good but less so than in 1978/79. Wheat area has expanded, and the crop should reach 16.3 million tons. Coarse grain and rice production is expected to be smaller than last year's. However, the high stock levels will ensure that domestic needs are met while allowing some expansion in exports. Physical limits of railroad and port facilities and the prospect of a workers' strike could limit the amount actually exported.

Food Aid Levels

Food aid payments, \$35.9 million for FY 1979, will rise to \$43.5 million in 1979/80. Aid has been mainly in the form of wheat and wheat flour. Wheat shipments in 1978/79 were 327,000 tons and the major recipients were Bangladesh, India, Indonesia, and Pakistan. Flour shipments of 26,000 tons in 1978/79 went mainly to Sri Lanka and the Philippines. Grain shipments were projected to reach to 400,000 tons in 1979/80. In

Table 30--Contribution of food aid in cereals by major donor countries 1/

Donor	1978/79			1979/80 2/		
	Share of cereal		Quantity	Share of cereal		Quantity
	Food aid	Exports		Food aid	Exports	
	1,000 metric tons	Percent	1,000 metric tons	1,000 metric tons	Percent	1,000 metric tons
United States	6,098	64.3	6.4	5,737	58.5	5.4
	1,287	13.6	4.6	1,287	13.1	4.7
Canada	1,000	10.5	5.9	1,000	10.2	5.4
Australia	325	3.4	1.8	400	4.1	2.4
Japan	225	2.4	40.5	680	7.0	86.1
Sweden	75	.8	8.4	80	.8	6.7
Switzerland	32	.3	37.5	32	.4	37.5
Argentina	23	.3	.2	23	.2	.2
Finland	14	.2	.4	14	.2	.4
Norway	10	.1	33.3	30	.3	66.7
Others	400	4.1	--	500	5.2	--
Total	9,489	100.0	--	9,783	100.0	--

-- = Not applicable.

1/ Cereals refers to wheat, milled rice, and other food grains. For 1978/79 figures related to allocations for the budgetary period of each country concerned. 2/ Preliminary indicative planning figures.

Sources: Food and Agriculture Organization and U.S. Department of Agriculture.

Table 31--Grain situation in major food donors' countries

Donor and year ending June 30	Beginning stocks	Production	Consumption	Net exports
<u>Million metric tons</u>				
United States:				
1972	55.2	236.4	175.9	39.2
1973	73.8	226.9	182.1	68.6
1974	48.2	236.4	178.1	77.1
1975	31.4	203.1	141.6	64.2
1976	27.5	246.9	154.6	79.6
1977	36.6	256.0	152.9	78.5
1978	61.6	262.4	161.0	85.7
1979	74.2	271.3	178.4	91.5
1980	72.3	297.2	180.6	108.6
Other major donors: <u>1/</u>				
1972	46.6	187.1	180.0	11.3
1973	43.3	179.8	182.7	8.1
1974	33.9	189.6	184.9	1.2
1975	38.8	189.8	183.0	4.5
1976	42.9	186.1	180.0	10.4
1977	38.5	186.7	182.7	-2.2
1978	42.8	192.2	183.9	11.7
1979	42.5	220.7	191.4	10.8
1980	55.4	207.0	194.6	19.4
Total:				
1972	101.8	423.5	355.9	50.5
1973	117.1	406.7	364.8	76.7
1974	82.1	426.0	363.0	78.3
1975	70.2	392.9	324.6	68.7
1976	70.4	433.0	334.6	90.0
1977	75.1	422.7	335.6	76.3
1978	104.4	454.6	344.9	97.4
1979	116.7	492.0	369.8	102.3
1980	127.7	504.2	375.2	128.0

1/ Western Europe.

recent years, Australia has shipped rice, fortified nonfat dry milk, and small amounts of canned meat to countries in the Pacific area.

Canada

Agricultural Conditions

Total production of wheat, barley, oats, rye, corn, and mixed grains was down 17.6 percent in 1979, to 36.5 million tons, because of a late, wet spring in western Canada. However, oilseed production rose 11 percent to over 5 million tons. Wheat production is projected to rise slightly in 1980, to reach about 18.6 million tons. Stocks at the end of 1979 stood at 13.3 million tons, a decline of 1.7 million tons from 1978. Oilseeds are projected to fall to about 4.5 million tons and rapeseed carryover stocks will be about 1.5 million tons by July 31, 1980.

Food Aid Levels

At the World Food Conference in 1974, Canada agreed to provide an annual average of 1 million tons of food grain aid. Much of it is handled through the World Food Program which Canada helped develop. High levels of export demand for grains and oilseeds suggest that Canada's food aid will not exceed the level pledged in 1974. In the past, nonfat dry milk, egg powder, cheese, and canned fish have also been given as food aid.

European Economic Community

Agricultural Conditions

The European Community (EC) had a good, but not exceptional year in 1979. Grain production totaled 113 million tons--second highest on record. Total meat production rose over 3 percent and milk production over 2 percent, which added to the EC dairy surplus situation. The EC is forecast to be a net importer of corn (14 million tons), but a net exporter of wheat (3.6 million tons) and barley (1.7 million tons) in 1979/80. On August 1, 1979, stocks of grain were an estimated 15.0 million tons--equivalent to 12.5 percent of total requirements. Nonfat dry milk stocks have been reduced by costly export subsidies and other measures.

Food Aid Levels

Food aid makes up 80 percent of the EC's planned development and cooperation budget for 1980. Under the Food Aid Convention (FAC), the EC is committed to 1.3 million tons of cereal food aid; this consists of a Community (EC) commitment of 720,500 tons, financed by EC budgetary expenditures, and bilateral commitments by EC member states of 566,500 tons.

In 1978/79 the EC also provided 45,000 tons of butter oil, 100,000 tons of powdered milk, and 10,000 tons of sugar as food aid. For 1979/80 the EC Council has approved an increase in the quantity of powdered milk (150,000 tons), while maintaining the level for oils and reducing commitments for sugar (6,153 tons).

In addition to the overall European Community bilateral and multilateral food aid commitment, individual member states also have bilateral and multilateral (mostly World Food Program) food and commitment grants funded through national budgets. These are expected to equal \$780 million in 1980.

Japan

Agricultural Conditions

Total agricultural production increased about 1 percent in 1979. Near-record rice yields caused production to overshoot government target levels by almost 300,000 tons. Rice stocks stood at more than 6 million tons at the end of 1979, a level considered excessive. Wheat and barley output were up 47 and 25 percent, respectively, due to large government incentives to shift rice area into those crops. Milk production, up 6 percent, exceeded consumption requirements.

Food Aid Levels

Japan has moved out of a period of no government-sponsored programs for surplus rice disposal into one in which excessive stocks warrant such programs. In 1978, food aid was budgeted at \$14 million and was increased in 1979. Rice shipments of food aid are estimated to reach 680,000 tons in 1979/80 (April 1979-March 1980) out of total rice exports of 900,000 tons. Principal recipients are Indonesia and Bangladesh.

Japan has given more than any other country to the relief effort for Indochinese and Cambodian refugees, recently offering \$7.6 million to the World Food Program to purchase 20,000 tons of Japanese rice for relief of Cambodian refugees. Japan will also donate \$28.9 million for Indochinese relief to the U.N. High Commissioner for Refugees.

Sweden

Agricultural Conditions

Sweden produces exportable surpluses of grain, rapeseed oil, and dairy and fish products. Wheat production has declined in recent years to just over 1 million tons in 1979, of which half was exported. Rapeseed oil production was down from recent levels and production of fluid milk was 3.4 million tons.

Food Aid Levels

Sweden has achieved the United Nation's goal of appropriating 1 percent of GDP to aid developing countries--\$1.1 billion for FY 1979/80. Food aid, a relatively minor portion of this assistance, is given mainly as wheat, wheat flour, and nonfat dry milk. Grain food aid rose from about 75,000 tons in 1978/79 to about 80,000 tons in 1979/80.

WORLD FOOD SECURITY

This section highlights several continuing concerns over the global food supply/demand balance and treats several proposals and governmental actions during 1979 and early 1980 to enhance world food security. Among the international policy developments noted are the attempts to negotiate a new Wheat Trade Convention (WTC), the adoption of the Five Point Plan on World Food Security as an interim measure until a new WTC can be agreed upon, and the successful negotiation of a new and enlarged Food Aid Convention (7.6 million tons). The recent Carter administration proposal for a 4-million-ton food security reserve is also described.

Continuing Concerns

Four general areas have set the tone for most discussions on world food security:

1. Rising import requirements of the low-income and middle-income countries and their capacity to finance these imports;

2. Increasing reliance on Canada, Australia, Argentina, and the United States as the major suppliers and stockholders of feed and food grains;
3. Uncertainty over the amount and composition of food aid required and the concurrent need to program this food aid effectively so that it complements a recipient country's agricultural development plan; and
4. Reconciling price policies designed to expand agricultural output with policies intended to increase consumption and improve nutrition.

Recent projection exercises indicate a substantial growth in developing country imports. 1/ FAO's Agriculture: Toward the Year 2000, for example, projected total cereal trade would nearly double by 1990. 2/ In terms of regional balances, Africa is forecast to import 16 million tons; the Far East, 10 million tons; the Near East, 22 million tons; and Latin America, nearly in balance at 4 million tons.

The second concern, the growing dependency of the developing countries on a few major developed country exporters, became evident in the early seventies. The United States alone currently accounts for over 50 percent of all grain traded internationally (57 percent in 1979). This fact, in combination with the anticipated decline in world cereal stocks and concentration of these stocks within the United States, has raised questions as to the ability of the major exporters to respond to immediate needs and satisfy long-range demands. 3/

Coinciding with the problem of increasing stocks in the United States and the potential logistical problems of moving large quantities of grain overseas is whether developing countries can absorb increased imports of food, given infrastructural, financial, and administrative constraints. Providing these imports concessionally can overcome the financial constraint, but the developing countries must have the administrative capacity and infrastructure to determine future requirements, schedule imports, and monitor their distribution once they are delivered. In that the value of food imports account for a relatively small share of total merchandise imports for most of the middle-income countries and several low-income countries, the question of import capacity would seem to be more a function of a government's willingness to commit foreign exchange toward importing food than an ability to pay.

Possibly more critical is the impact of food imports on domestic prices. Here the tradeoff is between shortrun gains from lower prices leading to increased consumption and improved nutrition and the possible long-run disincentive to domestic production.

In recognition of these questions, a noticeable shift in emphasis in international food policy has occurred. Policymakers are now paying more attention to individual governments' ability to implement a food strategy, to the role of international and intraregional trade within this strategy, to a country's physical capacity to transport and

1/ See, for example, U.S. Dept. Agr., Econ. Res. Serv., The World Food Situation and Prospects to 1985, For. Agr. Econ. Rpt. No. 98, Dec. 1974; U.S. Dept. Agr., Econ. Res. Serv., Alternative Futures for World Food in 1985, For. Agr. Econ. Rpt. 151, June 1978; and International Food Policy Res. Inst., Food Needs of the Developing Countries - Projections of Production and Consumption to 1990, Res. Rpt. No. 3, Dec. 1977.

2/ United Nations, Food and Agr. Org., UN/FAO, Agriculture: Toward 2000, 79124, July 1979, p. 47.

3/ This has provided justification for a recent World Food Program effort to develop a computerized transportation model to evaluate transport availabilities and readiness in particular emergency situations. Similarly, the FAO Secretariat has proposed that the Committee on Food Security undertake a detailed assessment of levels, location, and accessibility of world cereal stocks and their adequacy to meet likely needs in 1981/82.

market foodstuffs, and to the extent to which these traditional channels can provide food to the poorer segments of society.

International Food Policy Developments

The long-term objective of world security is concerned primarily with the generation of increased agricultural productivity in the developing countries along with the development of income-creating activities that will increase the purchasing power of the poor. However, in the short-term, the more immediate concern of the developing countries is how to establish or gain access to foodstocks in times of domestic production shortfalls and sharply fluctuating world grain prices. The major thrust of most international initiatives has been the attempt to coordinate national stock policies through an international grains agreement that aims at both stabilizing grain markets and ensuring the availability of emergency food supplies.

For example, over the last year, FAO has encouraged both the developing and developed countries to adopt grain stock policies and to establish guidelines for management and release of these stocks. In addition, FAO also has initiated efforts to secure financial commitments to improve storage and transport facilities, in addition to securing food aid to set up the country's food reserve. Moreover, FAO has also attempted to foster collective self-reliance. The governments of the Association of Southeast Asian Nations (ASEAN) have recently agreed to establish an ASEAN food security reserve consisting of regionally coordinated rice stocks strengthened by a food information and early warning system. A part of each country's national rice reserve is to be earmarked for an Emergency Rice Reserve (50,000 tons). Another collective action that is being proposed is a regional food reserve for the Sahel. FAO is now undertaking a feasibility study of a scheme of national security stocks supplemented by a regional security reserve.

Food Aid Convention

In line with these FAO initiatives has been the recent negotiation of the Food Aid Convention (FAC), which becomes effective July 1, 1980, and continues in force for 1 year. It is linked to the current Wheat Trade Convention (WTC) which expires June 30, 1981. A principal objective of the FAC is achievement of the 1974 World Food Conference's target of providing at least 10 million tons of food aid--wheat and other grains--to the developing countries. The FAC increases the total pledged minimum annual contributions from 4.2 million tons of wheat under the 1971 convention to 7.6 million tons under the 1980 agreement. These are the pledged minimum annual contributions:

	:	:	:	:	:	:
Country	:	: Old FAC	: New FAC	:	Country	: : Old FAC : New FAC
	:	:	:	:		:
	:		:	:		:
	:	<u>1,000 tons</u>	<u>1/</u>	:		<u>1,000 tons</u> <u>1/</u>
	:		:	:		:
Argentina	:	23	35	::	Finland	: 14 20
Australia	:	225	400	::	Japan	: 225 300
Austria	:	0	20	::	Norway	: 0 30
Canada	:	495	600	::	Sweden	: 35 40
European Economic Community and its member states	:			:	Switzerland	: 32 27
	:			:	United States	: 1,890 4,470
	:	1,287	1,650	::	Total	: 4,226 7,592
	:			:		:

1/ These are minimum pledges; total commitments in any given year usually exceed these amounts.

A member's contribution may be cash, in whole or in part, with the value determined at the prevailing market price for wheat. Appropriate substitutions of other grains for wheat are also permitted. Purchases of grain financed by members' cash contributions are to be made from members of the 1980 FAC and the WTC, with preference accorded to developing country members of both conventions, especially members of the FAC.

National Food Policy Developments

Establishing a government-owned reserve for emergency food aid purposes is the key to the current U.S. food and agricultural policy. Such a reserve was first proposed in early 1977 as a part of the Administration's broader plan to establish a 30- to 35-million ton grain reserve, most of which was to be owned by farmers. The 1977 Food and Agriculture Act authorized the Secretary of Agriculture to "establish and maintain a food reserve" but did not specify how those reserves could be used.

Legislation to authorize use of the reserve for food aid purposes is now being considered by the Congress. In essence, release of the food reserve stocks would be authorized under the usual P.L. 480 criteria. In addition, up to 300,000 tons could be used in any fiscal year to meet urgent relief needs that could not otherwise be met quickly enough, and in extreme situations when emergency requirements greatly exceed usual levels. Under current legislative authority, such extraordinary situations could only be met--without cutting back on other parts of the food aid programs--by what has usually been the relatively slow process of obtaining a supplemental appropriation from the Congress. Such stocks are intended to be acquired either through direct purchases or by designating wheat already owned by the Commodity Credit Corporation (CCC). Following the suspension on January 4, 1980, of U.S. grain sales to the Soviet Union, the administration announced plans to acquire 4 million tons of wheat--equal to what was to be shipped to the USSR--under existing CCC authorities. The wheat was to be isolated from the commercial market and placed in reserve. This grain will be used for the food security reserves when the Congress completes work on the authorizing legislation.

Food for Development, Title III

Active efforts have been made to program food assistance so it is consistent with the development objectives of the recipient countries. Under existing P.L. 480 legislation, Title III food aid is to be used for agricultural and rural development, including voluntary family planning, health, and nutrition programs. The goal of Title III is "to increase the access of the poor in the recipient country to a growing and improving food supply through activities designed to improve the production, protection, and utilization of food, and to assist the well-being of the poor in the rural sector." ^{4/} To be eligible, countries must undertake self-help measures to boost production, and to improve storage, transportation, and distribution of commodities. No commodity will be shipped unless adequate storage facilities are available, and the aid is shown not to create a disincentive to domestic production in the recipient country. According to the legislation, the aggregate value of all agreements entered into under Title III for FY 79 was to be not less than 10 percent and for FY 80 and thereafter, not less than 15 percent of total P.L. 480. During FY 79, Title III programs totaling \$85 million were operating in Honduras, Egypt, Bolivia, and Bangladesh, involving wheat/wheat flour totaling 609,000 tons. The FY 80 allocation contemplated under Title III valued at \$122.3 million for 702,000 tons of wheat and wheat flour involves Bangladesh, Bolivia, Egypt, Honduras, and Sudan. An agreement with Senegal will be signed in April 1980 which would increase the allocation to \$129.3 million for 718,000 tons.

^{4/} U.S. Senate, Committee on Agriculture, Nutrition and Forestry, Food For Peace, 1954-78 Major Changes in Legislation, prepared by Janice E. Baker, Jan. 4, 1979.

GLOSSARY

A brief definition of the terms, statistics, and indicators used in the tables, the regional summaries, and individual country statements is provided to facilitate understanding of their use in the report.

- (1) Agricultural labor force - percentage of the population aged 15-64 actively engaged in the agricultural sector, which includes agriculture, forestry, hunting, and fishing. This percentage indicates the relative dependence of the population on agriculture for a living.
- (2) Commodity concentration ratio - percentage of total export value accounted for by the three largest exports in the Standard Industrial Trade Classification (SITC) categories 0,1,2,3,4,65, and 68. It describes the export structure and indicates the extent of dependence on raw and agricultural commodities. Commodities in SITC categories are subject to fluctuations in price, which often results in fluctuating foreign exchange earnings for the exporting country that can be disruptive to economic growth and stability.
- (3) Debt/Gross National Product (GNP) - represents outstanding public and publicly guaranteed debt (disbursed only) as a percentage of GNP. A large percentage can indicate unhealthy reliance on outside borrowings.
- (4) Debt service ratio - ratio of public debt service payments (principal and interest) to exports of goods and services. It relates not only to the size of the debt but also to the contract terms. The higher the ratio, the greater the potential impact on import capacity if foreign exchange earnings decline.
- (5) Economic growth rate - indicates whether the goods and services of the economy are increasing, decreasing, or stable. For many developing countries where agriculture's share of Gross Domestic Product (GDP) is relatively high, this growth rate will reflect agricultural growth. However, for some countries, the industrial, mining, and service sectors contribute most to economic growth.
- (6) Gross Domestic Product (GDP) - sum total of final output of goods and services produced by a country's economy, regardless of the allocation between domestic and foreign claims.
- (7) Gross National Product (GNP) - total domestic and foreign output claimed by residents of a country. It constitutes GDP plus factor incomes, such as investment receipts and workers' remittances accruing to residents from abroad less the income earned in the domestic economy accruing to persons abroad.
- (8) Import coverage - ratio of average weekly imports to "end of year" gross international financial reserves and indicates a country's ability to finance imports. Gross reserves usually will not drop to zero, but at a certain level--less than 12 weeks average as a general rule of thumb--a country's ability to import may be constrained.
- (9) Infant mortality rate - number of infants per 1,000 live births who die before 1 year of age. This figure reflects the general level of social welfare in the country by giving an indication of the availability and distribution of food supplies, health care, and sanitation facilities.
- (10) Life expectancy - the number of years newborn children can be expected to live, subject to the mortality risks prevailing for the cross-section of their population. This figure is a general indicator of the level of social welfare in the country.

- (11) Public Law 480 (P.L. 480) - legislation providing for the U.S. food aid program. The three titles are described below:

Title I - Sales Program

Title I of Public Law 480 provides for the concessional sale of agricultural commodities to "friendly" countries. Agreements under Title I may be signed either for dollar credit with up to 20 years' repayment period or convertible local currency credit with up to 40 years' repayment period. Grace periods for dollar credit agreements range from 0 to 2 years and those for convertible total currency agreements may be as long as 10 years. Specific down payments in dollars may be required under both types of agreements. Interest rates under both types of financing are set by law at minimum of 2 percent during the grace period and 3 percent thereafter. For the majority of Title I sales agreements, the minimum rates have been applied.

Although the Commodity Credit Corporation (CCC) finances the sales and export of commodities under Title I, actual sales are made by private U.S. suppliers to foreign importers, government agencies, or private trade entities. The CCC finances sales by paying suppliers directly through the banking system for that portion of their sale not covered by the required down payment. The CCC collects the amount due over the credit period and under the interest rate provided in the agreement with the importing country.

Title II - Foreign Donations

Title II of Public Law 480 authorizes donations of food on behalf of the people of the United States to meet famine or other urgent relief requirements, to combat malnutrition (especially in children), and to promote economic and community development. Title II programs are to supplement and reinforce other developmental and nutritional activities, and are conducted within a framework of encouraging local management and funding. The Title II program is administered by the Agency for International Development (AID). The Department of Agriculture finances the cost of food including processing, fortifying, packaging, shipping, and delivery to points of entry for landlocked countries.

A priority under Title II is to help meet the nutritional needs of vulnerable groups. Generally, maternal/child health programs are emphasized but food for work (payment in food commodities for work done on public building projects), and pre-school and primary school feedings are also important. Consistent with the emphasis on nutrition in recent years, substantial amounts of blended and fortified foods are used in nutrition programs.

Title III - Food for Development

The objective of Title III, newly legislated in 1977, is to establish a relationship between U.S. food assistance under Title I and the efforts of developing countries to increase the availability of food and improve the quality of life of their citizens. This goal is to be met by permitting the funds accumulated from the sale of P.L. 480 commodities to be applied against the repayment obligations of these countries to the United States. These funds must be used for programs in agricultural and rural development, nutrition, health services, and population planning. Potential recipients must demonstrate a need for external resources to improve their food production, marketing, distribution, and storage systems.

- (12) Total grain - wheat, coarse grains (including corn, barley, oats, sorghum, millet, rye, and mixed grains), and milled rice, sometimes referred to as total cereals. Since the various grains are used for both human and animal consumption

in different parts of the world, total grain should not be interpreted as grain available only for human consumption.

- (13) Trade balance/exports - ratio that measures the size of a country's trade deficit or surplus relative to the value of its merchandise exports.
- (14) Urban population - urban population as a percentage of total population. Since the estimates reflect the different definitions of "urban" used in different countries, cross-country comparisons should be made with caution. A rapid urbanization rate and large urban areas can strain a country's food supply as the urban dwellers become dependent on outside sources of food, either local production or food imports.

Appendix table 1--Total grain production, consumption, and net imports of low- and middle-income countries 1/

Region and country	1969/70-1973/74				1977/78				1978/79				Forecast 1979/80			
	Production	Consumption	Net Imports		Production	Consumption	Net Imports		Production	Consumption	Net Imports		Production	Consumption	Net Imports	
South Asia:	121,130	126,939	5,663		147,527	149,494	3,017	150,452	153,632	2,705	141,151	148,992	2,840			
Low income--																
Afghanistan	3,643	3,704	106		4,374	4,524	200	4,274	4,524	200	3,621	3,871	200			
Bangladesh	11,137	12,485	1,367		13,369	15,129	1,984	12,750	14,462	1,164	13,051	15,535	2,500			
Bhutan	416	416	0		480	480	0	0	510	510	0	550	0			
India	91,438	94,446	2,687		111,727	111,010	-217	116,157	115,517	1,040	105,603	109,653	-1,140			
Nepal	2,728	2,462	-266		2,766	2,713	-53	2,836	2,753	-83	2,894	2,814	-80			
Pakistan	10,794	11,500	814		13,640	13,430	-79	13,053	13,646	1,100	14,760	14,814	100			
Sri Lanka	974	1,926	955		1,171	2,208	1,182	1,382	2,240	849	1,222	2,389	1,100			
East Asia 2/:	52,412	55,889	3,776		60,836	66,741	6,363	66,112	70,100	4,734	63,743	70,481	6,683			
Low income--																
Burma	5,518	5,124	-394		6,548	6,287	-261	7,231	6,571	-660	6,763	6,328	-585			
Cambodia	1,623	1,677	54		1,160	1,190	30	1,087	1,267	180	382	632	250			
Indonesia	15,911	17,044	1,345		19,019	22,193	3,075	21,554	23,943	3,024	19,500	22,947	3,316			
Laos	561	620	60		553	648	95	618	718	100	601	681	80			
Papua New Guinea	0	48	48		0	60	60	0	68	68	0	70	70			
Philippines	5,365	6,273	920		7,060	7,835	848	7,620	8,260	705	8,050	8,580	650			
Thailand	10,923	7,988	-3,053		12,150	9,320	-2,744	14,500	9,522	-4,774	13,770	9,842	-4,350			
Vietnam	6,611	8,474	1,863		7,351	8,666	1,315	6,673	7,988	1,315	7,410	9,085	1,675			
Western Samoa	0	7	7		0	10	10	0	9	9	0	10	10			
Middle income--	5,900	8,634	2,926		6,995	10,532	3,935	6,829	11,734	4,767	7,267	12,306	5,567			
Korea, Republic of	9,513	10,019	501		9,702	10,423	707	10,048	10,822	774	9,278	10,151	873			
Sudano-Sahelian Africa:																
Low income--																
Cape Verde	3	43	40		25	65	40	15	68	53	20	68	48			
Chad	108	120	12		94	103	9	100	110	0	100	110	10			
Central African Republic	318	318	0		588	588	0	607	607	0	414	414	0			
Ethiopia	4,222	4,290	68		2,975	3,118	143	2,578	2,679	101	3,240	3,360	120			
Mali	865	894	29		870	887	17	871	881	10	790	800	10			
Mauritania	85	153	68		54	194	140	70	180	110	25	180	135			
Niger	828	855	28		1,100	1,150	50	1,452	1,502	50	950	980	30			
Somalia	142	208	68		244	440	192	234	389	155	234	394	160			
Sudan	2,009	2,152	135		2,777	2,857	70	3,070	3,320	250	2,500	2,800	300			
Upper Volta	933	986	53		975	1,021	46	1,051	1,086	35	1,005	1,045	40			
West and Central Africa:	12,079	13,661	1,569		12,873	16,066	3,431	14,011	17,188	3,446	14,019	17,480	3,401			
Low income--																
Benin	261	273	-15		205	245	40	265	305	40	200	235	35			
Cameroon	640	706	65		695	846	151	750	830	80	740	890	150			
Congo, People's Republic	8	39	31		23	47	24	41	45	31	20	50	30			
Equatorial Guinea	23	42	18		23	38	15	20	35	15	20	40	20			
Gambia	30	41	12		8	43	35	23	58	35	39	74	35			
Ghana	658	810	155		621	887	266	725	1,035	310	782	1,082	300			
Guinea	304	349	46		275	351	76	340	395	55	356	436	80			
Guinea-Bissau	21	43	22		22	52	30	23	38	15	26	41	15			
Liberia	132	176	43		172	223	65	174	234	55	181	240	60			
Nigeria	7,992	8,368	374		8,638	9,970	1,508	9,038	10,615	1,760	9,229	10,630	1,415			
Sao Tome and Principe	8	18	10		17	17	7	10	19	9	10	20	10			
Senegal	586	887	305		507	993	480	925	1,200	370	718	1,150	355			
Sierra Leone	304	363	58		359	411	52	386	433	43	337	440	103			
Togo	134	134	0		107	107	0	117	117	0	120	120	0			
Zaire	497	727	233		612	910	299	620	907	281	641	1,025	386			
Middle income--																
Ivory Coast	481	685	212		596	926	383	597	969	347	600	1,007	407			
East Africa:	12,099	12,518	346		13,548	14,201	1,019	12,880	14,091	1,219	12,249	13,503	1,194			
Low income--																
Botswana	64	125	61		68	172	104	80	150	70	21	142	121			
Burundi	320	320	--		312	312	0	312	312	0	315	300	0			
Comoros	16	33	17		20	32	12	20	32	12	20	32	12			
Kenya	2,042	1,964	-59		2,729	2,415	40	2,435	2,498	-93	2,055	2,477	32			

See footnotes at end of table

Continued

Appendix table 1--Total grain production, consumption, and net imports of low- and middle-income countries 1/--Continued

Region and country	1969/70-1973/74				1977/78				1978/79				Forecast 1979/80			
	Production	Consumption	Net imports		Production	Consumption	Net imports		Production	Consumption	Net imports		Production	Consumption	Net imports	
1,000 metric tons																
East Africa--Continued																
Lesotho	169	212	43		137	340	153		201	322	121		109	293	184	
Madagascar	1,284	1,355	71		1,370	1,578	208		1,303	1,466	163		1,387	1,500	163	
Malawi	1,038	1,072	34		1,200	1,265	65		1,400	1,420	20		1,490	1,460	30	
Mozambique	339	338	46		559	372	206		313	590	377		378	598	223	
Namibia	99	105	6		92	372	10		348	348	0		350	350	0	
Swaziland	2,226	2,309	83		2,575	2,593	18		2,672	2,685	12		2,610	2,610	0	
Tanzania	1,275	1,276	1		2,371	1,371	0		1,380	2,685	112		1,050	2,510	1,460	
Uganda	1,875	1,276	600		1,136	1,371	235		1,380	1,380	0		1,050	1,050	0	
Zambia	1,851	1,003	80		1,136	1,371	235		1,380	1,380	0		1,050	1,050	0	
Zimbabwe	1,481	1,428	55		1,605	1,540	65		1,710	1,620	90		1,510	1,270	240	
Middle income--																
Nauritius	0	134	134		0	135	135		0	170	170		0	150	150	
North Africa and Middle East:																
Egypt	35,218	43,626	8,087		42,694	59,336	16,245		46,382	62,872	15,261		43,665	63,374	18,597	
Lebanon	6,648	9,163	2,515		6,702	11,565	4,793		7,413	13,015	5,761		7,467	13,683	6,000	
Yemen, Arab Republic	35	388	353		5	398	305		55	589	534		47	602	535	
Yemen, People's Republic	13	NA	105		1,565	2,004	439		1,590	2,094	504		1,610	2,144	534	
Middle income--																
Iran	5,499	6,357	830		6,865	9,800	2,720		7,220	10,375	2,310		6,867	9,622	2,650	
Israel	1,148	1,111	1,778		1,272	1,859	1,656		1,720	1,874	1,154		1,720	1,874	1,154	
Jordan	190	1,307	1,117		272	1,859	1,656		1,720	1,874	1,154		1,720	1,874	1,154	
Morocco	3,800	4,444	644		2,845	5,493	447		4,682	6,805	2,123		4,048	6,026	1,978	
Portugal	1,576	2,502	953		1,334	2,845	1,511		4,682	6,805	2,123		4,048	6,026	1,978	
Syria	1,378	1,663	356		1,334	2,845	1,511		4,682	6,805	2,123		4,048	6,026	1,978	
Tunisia	3,754	3,754	356		1,631	2,131	500		2,464	3,934	1,470		1,718	3,627	1,909	
Turkey	15,167	15,679	305		20,989	18,916	-1,208		20,769	19,273	-2,008		19,815	19,532	-805	
Central America and Caribbean:																
Costa Rica	15,891	17,464	1,879		18,582	23,596	4,257		19,980	24,499	4,325		18,350	25,668	6,699	
El Salvador	508	576	70		545	756	215		693	803	114		735	848	115	
Guatemala	565	610	44		555	650	153		512	647	109		682	857	135	
Haiti	388	430	44		394	479	126		429	514	76		458	543	80	
Middle income 3/4																
Dominican Republic	198	342	148		245	516	300		286	553	253		240	517	260	
Guatemala	820	952	109		645	1,223	248		1,081	1,550	469		1,168	1,378	204	
Honduras	1,374	2,287	255		1,414	2,293	289		1,455	2,356	341		1,379	2,349	360	
Mexico	13,114	13,932	883		15,411	19,293	2,815		16,590	20,017	3,153		14,780	20,763	5,482	
Nicaragua	293	336	318		272	374	110		373	389	74		247	373	84	
Trinidad and Tobago																
Trinidad and Tobago	48,500	44,700	-4,319		54,271	52,865	-2,798		59,161	56,054	-3,096		60,985	58,378	-3,336	
South America:																
Low income--	341	646	200		485	727	260		497	750	267		461	713	250	
Bolivia	116	99	-16		218	151	-10		184	141	-57		135	152	-21	
Middle income--																
Argentina	21,192	11,820	-9,327		24,224	11,459	-13,026		25,553	12,012	-14,017		24,955	12,310	-13,240	
Brazil	20,818	22,619	1,331		21,582	28,991	5,198		24,723	30,385	6,253		27,231	32,048	4,695	
Chile	1,592	2,552	963		1,485	2,651	1,166		1,932	2,972	1,040		1,804	2,932	1,134	
Colombia	1,730	2,125	447		2,581	3,073	592		2,679	3,242	563		2,592	3,359	650	
Ecuador	1,374	1,502	120		1,385	1,712	327		1,305	1,742	437		1,331	1,749	406	
Paraguay	302	350	48		431	526	95		467	567	100		444	569	110	
Peru	1,281	2,112	826		1,450	2,459	1,019		1,191	2,244	894		1,260	2,315	1,145	
Venezuela	1,754	1,855	1,089		1,430	2,716	1,512		1,626	3,098	1,624		1,752	3,251	1,535	

NA = Not available. -- = Not applicable.

1/ Total grains include wheat, coarse grains, and milled rice. Data are for July-June period. 2/ Excluding People's Republic of China. 3/ Excluding Trinidad and Tobago.

Sources: Foreign Agricultural Service; and Economics, Statistics, and Cooperatives Service.

Appendix table 2--Per capita grain production, consumption, and net imports of low- and middle-income countries 1/

Region and country	1969/70-1973/74				1977/78				1978/79				Forecast 1979/80			
	Production	Consumption	Net imports		Production	Consumption	Net imports		Production	Consumption	Net imports		Production	Consumption	Net imports	
Kilograms per capita																
South Asia:																
Low income--																
Afghanistan	208.3	211.9	6.1	218.3	225.8	10.0	208.5	220.7	208.5	13.9	172.7	184.6	9.5	172.7	184.6	9.5
Bangladesh	155.9	174.5	18.8	160.5	181.7	23.8	151.2	169.6	151.2	13.9	153.3	177.7	26.3	153.3	177.7	26.3
Bhutan	NA	NA	NA	190.0	190.0	0	190.0	192.0	190.0	0	192.0	195.0	0	192.0	195.0	0
India	236.1	168.4	4.8	176.3	175.1	-3.3	179.6	178.7	179.6	-1.6	157.2	166.3	-1.7	157.2	166.3	-1.7
Nepal	236.1	213.1	-23.0	209.3	205.3	-4.0	209.8	203.6	209.8	-6.1	209.3	203.5	-5.8	209.3	203.5	-5.8
Pakistan	172.8	184.2	13.1	183.0	183.0	-1.1	177.7	177.7	183.0	-1.1	177.7	177.7	-1.3	177.7	177.7	-1.3
Sri Lanka	774.2	152.5	75.6	82.0	154.5	82.7	94.8	153.7	94.8	58.2	82.2	160.7	74.0	82.2	160.7	74.0
East Asia 2/:																
Low income--																
Burma	197.4	183.1	-14.3	205.3	197.1	-8.2	221.9	201.6	221.9	-20.3	203.1	190.0	-17.6	203.1	190.0	-17.6
Cambodia	225.0	231.6	6.5	134.2	137.6	3.5	122.6	143.0	122.6	20.3	54.6	90.3	35.7	143.0	90.3	35.7
Indonesia	124.8	134.2	10.5	130.3	142.1	21.1	144.4	160.4	144.4	20.3	127.7	150.2	21.7	150.2	150.2	21.7
Laos	184.5	204.2	19.6	156.3	183.2	26.9	170.4	198.0	170.4	27.6	161.7	183.3	21.5	183.3	183.3	21.5
Papua New Guinea	0	19.1	19.1	0	20.6	20.6	0	22.8	0	22.8	0	22.8	22.8	0	22.8	22.8
Philippines	119.3	162.6	23.7	157.0	174.2	165.3	18.9	179.2	165.3	15.3	170.4	181.7	13.8	170.4	181.7	13.8
Thailand	290.1	212.3	-81.1	277.4	212.8	-62.6	323.9	212.7	323.9	-106.6	301.0	215.1	-95.1	301.0	215.1	-95.1
Western Samoa	0	47.1	47.1	0	65.2	65.2	0	61.1	0	61.1	0	62.8	62.8	0	62.8	62.8
Middle income--																
Korea, Republic of	179.0	261.8	88.7	189.2	284.8	106.4	181.6	312.6	181.6	126.8	189.9	321.6	145.5	189.9	321.6	145.5
Sudano-Sahelian Africa:																
Low income--																
Cape Verde	10.6	152.5	141.8	77.8	202.4	124.6	45.7	209.2	45.7	161.6	59.7	203.0	143.3	59.7	203.0	143.3
Central African Republic	64.9	72.2	7.2	49.3	54.0	4.7	141.7	141.7	141.7	0	94.7	94.7	0	94.7	94.7	0
Chad	84.3	84.3	0	140.0	140.0	0	141.7	141.7	141.7	0	141.7	141.7	0	141.7	141.7	0
Ethiopia	167.9	170.6	2.6	101.1	106.0	4.9	85.4	88.7	85.4	3.3	104.6	108.5	3.9	104.6	108.5	3.9
Haiti	168.9	174.4	5.5	148.5	151.4	2.9	145.4	147.1	145.4	1.7	129.0	130.7	1.6	129.0	130.7	1.6
Mauritania	73.6	132.5	58.9	40.9	166.9	106.0	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Niger	201.7	208.2	6.4	226.8	237.1	10.3	291.7	301.7	291.7	10.0	186.1	191.9	5.9	186.1	191.9	5.9
Somalia	48.8	71.7	23.5	73.7	132.9	58.0	69.1	114.8	69.1	45.7	67.6	113.9	46.2	67.6	113.9	46.2
Sudan	140.2	150.2	9.4	170.3	175.2	4.3	184.3	199.3	184.3	15.0	146.9	164.6	17.6	146.9	164.6	17.6
Upper Volta	167.5	177.0	9.4	153.5	160.8	7.2	162.1	167.5	162.1	5.4	151.8	157.8	6.0	151.8	157.8	6.0
West and Central Africa:																
Low income--																
Benin	93.8	97.9	4.2	62.4	74.6	12.2	78.5	90.4	78.5	11.9	57.7	67.8	10.1	57.7	67.8	10.1
Cameroon	107.8	118.8	11.0	104.5	127.2	22.7	110.7	122.5	110.7	11.8	107.1	128.8	21.7	107.1	128.8	21.7
Congo, People's Republic	6.5	31.6	25.1	15.9	32.4	16.6	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Equatorial Guinea	46.0	84.0	36.0	42.5	70.2	27.7	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Gambia	61.9	86.3	24.4	15.0	80.5	65.5	42.3	106.6	42.3	64.3	70.4	133.6	63.2	70.4	133.6	63.2
Ghana	73.9	91.0	17.4	59.7	85.2	25.6	67.8	96.8	67.8	29.0	98.5	98.5	0	98.5	98.5	0
Guinea	75.8	87.2	11.4	60.0	76.6	16.6	72.6	84.4	72.6	11.8	74.5	91.2	16.7	74.5	91.2	16.7
Guinea-Bissau	42.6	86.3	43.7	41.2	97.4	56.2	42.5	70.2	42.5	27.4	74.8	102.5	34.0	74.8	102.5	34.0
Liberia	95.3	127.1	31.6	103.2	139.9	39.0	101.4	136.4	101.4	32.1	102.5	135.9	34.0	102.5	135.9	34.0
Nigeria	142.0	148.6	6.6	129.4	149.4	22.6	131.6	154.6	131.6	25.6	130.6	150.4	20.0	130.6	150.4	20.0
Sao Tome and Principe	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Senegal	132.4	199.6	68.1	96.4	188.8	91.3	171.0	221.8	171.0	68.4	129.0	206.6	63.8	129.0	206.6	63.8
Sierra Leone	110.4	131.5	21.2	112.5	128.8	16.3	105.0	118.2	112.5	13.2	100.7	131.5	30.8	100.7	131.5	30.8
Togo	66.8	66.8	0	45.6	45.6	0	48.6	48.6	48.6	0	48.6	48.6	0	48.6	48.6	0
Zaire	25.7	37.5	12.0	27.5	40.9	13.5	27.2	39.7	27.2	12.3	27.5	44.0	16.6	27.5	44.0	16.6
Middle income--																
Ivory Coast	82.6	117.8	36.4	82.9	128.8	53.8	80.2	130.2	80.2	46.6	78.0	130.9	52.9	78.0	130.9	52.9
East Africa:																
Low income--																
Botswana	102.1	199.4	97.3	92.9	234.9	142.0	106.9	199.5	106.9	93.1	27.2	183.9	156.7	27.2	183.9	156.7
Burundi	94.3	94.3	0	82.3	82.3	0	80.6	80.6	80.6	0	75.9	75.9	0	75.9	75.9	0
Comoros	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Kenya	172.9	166.2	-4.9	190.2	168.3	2.8	164.3	168.6	164.3	-6.3	134.3	161.9	2.1	134.3	161.9	2.1
Lesotho	175.5	220.1	44.7	172.8	314.2	141.4	182.1	291.7	182.1	109.6	96.8	260.2	163.4	96.8	260.2	163.4

See footnotes at end of table.

Continued

Appendix table 2--Per capita grain production, consumption, and net imports of low- and middle-income countries 1/--Continued

Region and country	1969/70-1973/74				1977/78				1978/79				Forecast 1979/80			
	Production	Consumption	Net Imports		Production	Consumption	Net Imports		Production	Consumption	Net Imports		Production	Consumption	Net Imports	
Kilograms per capita																
East Africa--Continued																
Low income--Continued																
Madagascar	186.4	186.5	10.1	174.5	201.0	226.7	26.5	182.5	182.8	222.1	20.3	189.2	189.3	223.5	19.9	
Malawi	227.9	235.6	7.7	228.0	226.7	21.7	21.7	237.0	222.1	71.0	1.8	239.3	239.3	71.0	-2.7	
Mozambique	85.7	101.3	3.6	38.8	80.4	32.2	0	32.2	32.2	71.0	36.8	37.7	37.7	90.4	22.7	
Rwanda	219.2	237.3	18.1	193.0	197.4	0	0	198.7	236.2	73.6	0	109.7	109.7	73.9	0	
Swaziland	163.0	166.9	3.9	161.1	162.3	24.0	24.0	162.8	162.4	6.8	77.5	134.9	134.9	230.2	120.5	
Tanzania	126.1	126.1	0	111.2	111.2	0	0	105.3	108.3	0	6.8	79.8	79.8	0	7.1	
Uganda	218.3	230.1	18.9	216.4	241.0	21.9	21.9	114.3	203.2	60.0	60.0	183.7	183.7	227.6	49.3	
Zambia	267.8	239.8	-29.1	237.8	228.1	-9.6	-9.6	245.3	232.4	-12.4	-12.4	181.9	181.9	162.5	-19.4	
Zimbabwe	0	158.9	158.9	0	148.8	148.8	0	0	184.8	184.8	0	0	160.8	160.8	0	
Middle income--																
Mauritius																
North Africa and Middle East:																
Low income--																
Egypt	195.2	268.5	73.3	172.2	297.2	123.2	123.2	186.3	327.1	198.6	144.8	183.6	183.6	205.0	147.5	
Lebanon	23.0	245.9	224.9	21.1	214.0	108.7	108.7	19.2	288.7	19.2	169.6	213.6	213.6	287.1	192.2	
Yemen, Arab Republic	8.5	78.8	70.4	74.3	102.7	55.3	55.3	46.2	100.5	100.5	34.3	44.9	44.9	97.8	52.9	
Middle income--																
Iran	177.8	205.0	26.3	184.9	264.0	73.3	73.3	188.7	268.5	407.8	60.4	174.1	174.1	243.9	67.2	
Israel	82.5	156.2	73.7	83.8	111.7	456.1	456.1	43.8	304.4	178.7	407.8	39.7	39.7	494.5	467.4	
Jordan	26.1	166.9	140.8	26.4	171.4	153.4	153.4	22.9	178.7	178.7	131.7	18.9	18.9	181.8	179.9	
Morocco	187.3	289.1	101.8	187.3	297.7	103.0	103.0	246.4	322.1	322.1	321.0	207.9	207.9	309.6	319.6	
Portugal	181.0	289.0	108.0	181.0	337.0	337.0	337.0	101.0	423.0	423.0	321.0	94.0	94.0	431.0	332.0	
Syria	149.7	289.3	139.6	149.7	346.8	96.0	96.0	304.2	372.0	372.0	131.9	203.4	203.4	384.3	131.2	
Tunisia	142.7	209.1	66.9	111.1	260.4	153.1	153.1	145.8	290.1	290.1	131.9	142.8	142.8	285.0	144.0	
Turkey	419.3	439.0	14.2	501.3	431.8	-28.9	-28.9	484.2	449.4	449.4	-46.8	450.9	450.9	444.4	-18.3	
Central America and Caribbean:																
Low income--																
El Salvador	140.0	158.4	19.0	124.1	172.2	49.0	49.0	153.3	177.7	177.7	25.2	158.1	158.1	182.4	24.7	
Grenada	6.0	100.0	94.0	6.0	97.0	91.0	91.0	6.0	120.3	120.3	20.3	126.0	126.0	199.0	74.0	
Haiti	121.7	131.4	9.7	105.3	123.3	39.0	39.0	95.2	120.3	120.3	20.3	126.0	126.0	199.0	74.0	
Honduras	139.1	134.2	15.6	114.9	139.7	36.7	36.7	121.2	145.2	145.2	21.5	123.5	123.5	158.8	21.9	
Middle income-- 3/																
Dominican Republic	45.5	78.5	33.9	48.6	102.4	59.5	59.5	55.4	107.2	107.2	49.0	45.5	45.5	97.9	49.2	
Guatemala	151.3	175.5	20.1	146.9	190.1	38.5	38.5	163.4	182.9	182.9	23.1	171.9	171.9	202.8	30.0	
Jamaica	2.3	34.9	32.6	6.7	141.8	135.1	135.1	7.1	169.5	169.5	182.4	9.0	9.0	178.8	169.8	
Mexico	249.7	285.0	16.0	241.7	298.7	43.6	43.6	247.9	299.1	299.1	47.6	213.4	213.4	299.3	78.7	
Nicaragua	148.6	169.7	24.3	116.7	160.5	47.2	47.2	156.1	162.8	162.8	31.0	100.8	100.8	32.2	34.3	
South America:																
Low income--																
Bolivia	89.4	129.8	39.8	81.5	122.2	43.7	43.7	81.3	122.7	122.7	43.7	73.5	73.5	113.7	39.9	
Guyana	161.4	138.2	-23.2	265.2	183.7	-12.2	-12.2	219.0	167.9	167.9	-67.9	157.2	157.2	176.9	-24.4	
Middle income--																
Argentina	879.8	490.6	-387.5	930.3	460.1	-500.2	-500.2	969.0	455.5	455.5	-531.6	934.6	934.6	461.0	-495.9	
Brazil	218.5	237.3	18.8	192.3	253.0	46.3	46.3	214.3	283.7	283.7	34.7	230.1	230.1	278.7	39.7	
Chile	161.7	258.3	96.6	133.5	241.9	106.8	106.8	173.6	237.5	237.5	18.1	158.9	158.9	253.3	99.9	
Colombia	79.8	248.6	20.2	102.4	121.9	27.0	27.0	104.0	123.5	123.5	18.1	139.5	139.5	127.3	2.7	
Ecuador	62.7	167.8	20.1	154.5	199.3	42.3	42.3	162.7	197.5	197.5	34.7	150.0	150.0	199.5	51.9	
Paraguay	127.7	167.8	20.1	154.5	199.3	42.3	42.3	162.7	197.5	197.5	34.7	150.0	150.0	199.5	51.9	
Peru	39.3	153.4	59.8	88.3	149.8	62.1	62.1	70.5	132.8	132.8	52.5	133.2	133.2	133.2	65.9	
Venezuela	67.6	164.9	96.4	106.0	201.3	112.1	112.1	117.0	222.9	222.9	116.8	112.3	112.3	227.0	107.2	

NA = Not available.

1/ Total grains include wheat, coarse grains, and milled rice. Data are for July-June period.

2/ Excluding People's Republic of China.

3/ Excluding Trinidad and Tobago.

Sources: Foreign Agricultural Service; and Economics, Statistics, and Cooperatives Service.

Appendix tsble 3--Exports, importa, and trade balance of low- and middle-income countries 1/

Region and country	Exports			Imports			Trade balance		
	1976	1977	1978	1976	1977	1978	1976	1977	1978
Million dollars									
South Asia: 2/									
Low income--									
Afghanistan	291	306	321	261	328	395	-72	-172	-74
Bangladesh	401	476	553	785	1,045	1,559	-384	-569	-1,006
India	5,551	6,379	6,619	5,459	6,033	7,953	-446	-2,084	-1,334
Nepal	103	81	91	163	168	211	-60	-87	-120
Pakistan	1,163	1,174	1,493	2,128	2,447	3,333	-965	-1,276	-1,840
Sri Lanka	570	754	845	579	696	934	-13	58	-89
East Asia: 3/									
Low income--									
Burma	186	205	252	117	245	320	69	-40	-68
Indonesia	8,547	10,853	11,643	5,673	6,230	6,690	2,874	4,623	4,953
Papua New Guinea	592	722	801	529	674	826	63	48	-25
Philippines	2,513	3,094	3,333	3,938	4,267	5,137	-1,425	-1,173	-1,804
Thailand	2,980	3,490	4,085	3,572	4,616	5,356	-592	-126	-1,271
West Samoa	7	14	11	30	43	54	-23	-29	-43
Middle income--									
Korea, Republic of	7,715	10,047	12,711	8,774	10,811	14,972	-1,059	-764	-2,261
Sudano-Sahelian Africa: 4/									
Low income--									
Central African Republic	70	105	71	55	63	57	15	42	14
Chad	101	107	91	115	142	180	-14	-35	-89
Ethiopia	280	333	307	352	352	455	221	379	-336
Mali	99	120	94	150	159	202	-51	3	-108
Mauritania	178	157	119	180	207	181	-2	-50	-62
Niger	134	165	290	141	208	290	23	15	-10
Somalia	85	63	109	156	228	241	-21	-165	-134
Sudan	554	661	518	980	1,059	1,194	-426	-398	-676
Upper Volta	53	55	50	144	209	252	-91	-154	-202
West and Central Africa: 5/									
Low income--									
Cameroon	511	704	802	609	783	1,056	-98	-79	-254
Congo, People's Republic	244	232	308	172	207	6/268	-72	25	40
Gambia	34	48	40	74	78	101	-40	-30	-61
Ghana	804	962	958	845	1,023	6/782	-41	-100	176
Guinea	217	258	261	110	173	220	-32	58	62
Liberia	460	448	486	399	463	490	61	-15	-4
Nigeria	10,085	11,518	10,509	8,213	11,095	12,732	1,872	423	-2,223
Senegal	485	622	430	529	763	716	-327	-141	-286
Sierra Leone	115	128	186	154	248	247	-39	-120	-61
Togo	134	159	6/258	203	284	6/437	-69	-125	6/179
Zaire	889	988	925	668	609	589	221	379	-336
Middle income--									
Ivory Coast	1,631	2,157	2,322	1,296	1,756	2,326	335	401	-4
East Africa: 7/									
Low income--									
Botswana	180	180	222	200	276	353	-20	-96	-131
Burundi	62	90	67	58	74	98	4	16	-31
Kenya	790	1,185	1,022	969	1,284	1,711	-179	-104	-689
Lesotho	17	15	35	193	223	262	-176	-208	-227
Madagascar	275	337	421	285	339	384	-10	43	-36
Malawi	160	207	186	205	244	338	-45	-37	-52
Rwanda	80	92	112	103	114	6/145	-23	-22	-33
Tanzania	490	547	474	639	746	1,157	-149	-219	-683
Uganda	361	548	6/323	171	367	6/306	190	181	6/17
Zambia	1,040	898	861	798	819	783	-242	74	78
Zimbabwe									
Middle income--									
Mauritius	178	157	119	180	207	181	-94	-132	-176
North Africa, Middle East, and Europe:									
Low income--									
Egypt	1,406	1,708	1,737	3,807	4,808	6,727	-2,001	-3,100	-1,990
Lebanon	496	645	625	612	1,539	1,696	-116	-894	-1,071
Yemen, Arab Republic	8	11	6/6	413	720	6/919	-405	-705	6/-913
Yemen, People's Republic	44	47	42	285	386	385	-241	-339	-343

See footnotes at end of table.

Appendix table 3--Exports, imports, and trade balance of low- and middle-income countries 1/--Continued

Region and country	Exports			Imports			Trade balance		
	1976	1977	1978	1976	1977	1978	1976	1977	1978
Million dollars									
North Africa, Middle East, and Europe--Continued:									
Middle income--									
Iran	23,502	24,246	22,431	12,894	14,070	16,020	10,608	10,176	6,411
Israel	2,415	3,084	3,921	5,667	5,787	7,403	-3,252	-2,703	-3,482
Jordan	207	249	297	1,022	1,381	1,499	-815	-1,132	-1,202
Morocco	1,261	1,302	1,508	2,618	3,199	2,970	-1,357	-1,897	-1,462
Portugal	1,811	2,023	2,430	4,221	4,952	5,174	-2,410	-2,929	-2,744
Syria	1,065	1,063	1,063	2,363	2,658	2,443	-1,298	-1,595	-1,390
Tunisia	788	929	1,110	1,529	1,825	2,119	-741	-896	-1,009
Turkey	1,960	1,753	2,288	5,129	5,796	4,600	-3,169	-4,043	-2,312
Central America and Caribbean:									
Low income--									
El Salvador	721	967	629	718	947	1,021	3	20	-392
Grenada	13	14	17	25	31	35	-12	-17	-18
Haiti	124	138	152	125	149	209	-1	-11	-57
Honduras	392	522	605	395	504	660	-3	18	-55
Middle income--									
Dominican Republic	716	780	675	893	992	1,018	-177	-212	-343
Guatemala	782	1,160	6/1,130	839	1,053	6/1,207	-57	107	6/77
Jamaica	632	734	758	913	747	895	-281	-13	-137
Mexico	3,418	4,517	5,958	6,028	5,883	7,555	-2,610	-1,366	-1,597
Nicaragua	542	633	646	532	720	596	10	-87	50
Trinidad and Tobago	2,248	2,180	1,997	2,011	1,809	1,886	237	371	111
South America:									
Low income--									
Bolivia	513	651	640	588	666	848	-75	-25	-208
Guyana	279	259	296	364	315	278	-85	-56	18
Middle income--									
Argentina	3,916	5,652	6,399	3,033	4,162	3,384	883	1,490	2,565
Brazil	10,128	12,120	12,659	13,726	13,257	15,054	-75	-25	-208
Chile	2,083	2,190	2,408	1,776	2,414	3,002	307	-224	-594
Colombia	1,745	2,433	3,060	1,702	2,078	2,928	43	405	132
Ecuador	1,163	1,223	1,516	993	1,508	1,583	170	-285	-67
Paraguay	179	274	253	220	302	384	-41	-28	-131
Peru	1,304	1,666	2,003	2,073	1,918	1,957	-769	-252	46
Venezuela	9,299	9,551	9,187	6,830	11,446	12,402	2,469	-1,895	3,215

1/ Exports, f.o.b. and imports, c.i.f.

2/ Excluding Bhutan.

3/ Excluding Cambodia, Laos, People's Republic of China, Vietnam.

4/ Excluding Cape Verde.

5/ Excluding Benin, Equatorial Guinea, Guinea-Bissau, Sao Tome and Principe.

6/ Exports and imports, f.o.b.

7/ Excluding Comoros, Swaziland, Mozambique, Zimbabwe.

Source: International Financial Statistics, International Monetary Fund.

Appendix table 4--Debt, debt-service payments, and international reserves, low- and middle-income countries

Region and country	Debt <u>1/</u>			Debt-service payments <u>2/</u>			International reserves <u>3/</u>		
	1976	1977	1978	1976	1977	1978	1976	1977	1978
Million dollars									
South Asia: <u>4/</u>									
Low income--									
Afghanistan	930	1,071	1,261	169	316	391	131	276	391
Bangladesh	1,949	2,309	2,796	289	235	316	148	289	233
India	13,263	14,534	15,332	3,074	5,184	6,816	2,792	4,872	6,426
Nepal	44	73	88	135	148	157	129	142	147
Pakistan	6,004	6,795	7,568	532	518	486	466	499	408
Sri Lanka	696	781	1,013	92	292	397	92	292	398
East Asia: <u>5/</u>									
Low income--									
Burma	306	512	716	126	113	96	118	103	96
Indonesia	9,922	11,414	12,788	1,499	2,516	2,636	1,497	2,509	2,626
Papua New Guinea	289	338	367	257	431	432	257	427	422
Philippines	2,138	2,934	4,064	1,640	1,524	1,832	1,597	1,479	1,763
Thailand	822	781	1,013	92	292	397	1,798	1,813	2,009
Western Samoa	19	28	39	5	9	7	NA	NA	2
Middle income--									
Korea, Republic of	6,819	8,622	11,992	2,961	4,307	4,920	2,961	4,307	4,920
Sudano-Sahelian Africa: <u>6/</u>									
Low income--									
Central African Republic	91	114	138	2	6	4	19	26	24
Chad	95	117	157	5	13	16	23	19	12
Ethiopia	430	471	551	26	28	30	306	225	166
Mali	377	449	540	4	7	9	7	6	8
Mauritania	393	460	574	77	41	27	82	50	80
Niger	130	118	194	9	9	9	83	101	128
Somalia	277	401	591	3	11	13	85	121	126
Sudan	1,605	1,798	2,076	100	62	76	24	23	28
Upper Volta	85	137	191	5	6	8	71	57	36
West and Central Africa: <u>7/</u>									
Low income--									
Cameroon	531	879	1,167	40	53	104	44	43	53
Congo, People's Republic	401	477	690	25	37	28	12	14	9
Gambia	14	24	43	1	1	1	21	24	26
Ghana	676	786	843	53	37	47	98	155	280
Guinea	793	817	906	40	67	64	NA	NA	NA
Liberia	211	291	342	21	28	26	17	27	18
Nigeria	837	891	2,181	374	107	128	5,180	4,232	1,887
Senegal	361	437	587	43	58	106	25	34	19
Sierra Leone	158	194	275	21	17	35	25	33	35
Togo	172	285	494	12	25	45	67	46	70
Zaire	2,190	2,698	2,566	127	121	502	50	134	126
Middle income--									
Ivory Coast	1,167	1,962	2,880	175	288	424	77	185	448
East Africa: <u>8/</u>									
Low income--									
Botswana	165	181	121	4	6	34	75	100	151
Burundi	24	40	64	3	3	3	49	95	81
Kenya	672	823	1,058	47	54	121	276	522	363
Lesotho	16	23	28	1	1	1	10	10	13
Madagascar	182	203	259	13	13	14	42	69	59
Malawi	257	298	390	15	13	21	26	77	75
Rwanda	48	74	95	1	1	2	64	83	88
Tanzania	908	1,079	1,095	28	36	38	112	282	100
Uganda	213	220	252	6	13	4	45	47	53
Zambia	1,251	1,392	1,522	113	181	250	93	66	51
Middle income--									
Mauritius	49	68	151	24	6	11	90	66	46
North Africa, Middle East and Europe:									
Low income--									
Egypt	5,724	8,051	9,879	664	1,095	1,207	240	431	492
Lebanon	39	39	125	8	8	10	1,303	1,569	1,835
Yemen, Arab Republic	274	312	381	5	3	18	720	1,204	1,460
Yemen, People's Republic	226	295	351	9/	9/	20	82	101	188

See footnotes at end of table.

Appendix table 4--Debt, debt-service payments, and international reserves, low- and middle-income countries--Continued

Region and country	Debt <u>1/</u>			Debt-service payments <u>2/</u>			International reserves <u>3/</u>		
	1976	1977	1978	1976	1977	1978	1976	1977	1978
Million dollars									
North Africa, Middle East and Europe--Continued									
Middle income--									
Iran	4,314	6,198	8,251	874	8,912	1,351	8,681	12,106	11,977
Israel	7,184	8,085	9,209	529	632	538	1,328	1,522	2,625
Jordan	431	645	836	27	37	69	459	643	885
Morocco	2,282	3,505	4,675	140	235	499	487	505	618
Portugal	989	1,458	2,642	100	152	203	176	366	871
Syria	997	1,530	2,091	107	105	227	328	512	380
Tunisia	1,172	1,774	2,425	104	142	197	366	351	443
Turkey	3,583	4,288	6,228	310	362	448	978	620	833
Central America and Caribbean:									
Low income--									
El Salvador	263	266	322	33	64	31	185	211	268
Grenada	6	7	7	NA	NA	NA	11	13	12
Haiti	77	129	163	10	12	12	28	34	39
Honduras	344	457	591	29	42	59	131	180	184
Middle income--									
Dominican Republic	509	607	753	61	63	84	124	180	154
Guatemala	210	275	374	14	16	24	491	669	742
Jamaica	906	990	1,021	109	147	212	32	48	59
Mexico	15,618	20,354	24,822	2,304	3,583	6,088	1,188	1,649	1,842
Nicaragua	651	872	916	74	102	133	146	148	51
Trinidad and Tobago	106	257	417	78	15	32	1,014	1,482	1,805
South America:									
Low income--									
Bolivia	1,022	1,374	1,666	103	152	350	151	211	170
Guyana	360	407	403	32	39	57	27	23	58
Middle income--									
Argentina	4,330	4,837	6,190	865	1,020	2,059	1,445	3,154	4,967
Brazil	15,851	19,219	27,223	1,922	2,507	3,934	6,488	7,192	11,826
Chile	3,589	3,538	4,371	757	884	1,064	405	427	1,090
Colombia	2,463	2,680	2,833	279	314	402	1,101	1,747	2,366
Ecuador	619	1,146	1,564	82	117	205	499	654	670
Paraguay	223	318	447	19	26	35	158	268	449
Peru	3,672	4,704	5,365	454	652	748	289	357	390
Venezuela	2,961	4,427	6,921	407	827	750	8,124	7,735	6,035

1/ External public and publicly guaranteed debt--disbursed only.

2/ Interest and amortization payments.

3/ Total international reserves minus gold reported at the end of the year.

4/ Excluding Bhutan.

5/ Excluding Cambodia, Laos, People's Republic of China, and Vietnam.

6/ Excluding Cape Verde.

7/ Excluding Benin, Equatorial Guinea, Guinea-Bissau, Sao Tome, and Principe.

8/ Excluding Comoros, Swaziland, Mozambique, and Zimbabwe.

9/ Less than \$1 million.

Sources: World Debt Tables, 1979, World Bank; International Financial Statistics, International Monetary Fund.

Appendix table 5--Demographic and socio-economic indicators of low- and middle-income countries 1/

Region and country	1978					Agricultural labor force		Urban population		Life expectancy		1975 infant mortality	
	Population		GNP		Per capita GNP		1960		1975		1960		1977
	Million	dollars	Million	dollars	Dollars	Dollars	Percent	Years					
South Asia:													Number/ thousand
Low income--													
Afghanistan	14.6	3,530	240	85	80	8	13	34	42	190			
Bangladesh	83.6	7,630	90	87	78	5	9	42	57	155			
Bhutan	1.3	120	100	NA	NA	NA	NA	NA	NA	NA			
India	643.9	112,660	180	73	73	18	21	43	51	129			
Nepal	13.6	1,580	120	95	93	3	4	37	45	152			
Pakistan	77.3	17,530	230	61	58	22	26	44	51	139			
Sri Lanka	14.4	2,720	190	56	54	18	24	62	69	47			
East Asia: 2/													
Low income--													
Burma	32.2	4,900	150	68	55	19	25	44	52	140			
China	914.1	424,620	460	NA	NA	NA	NA	NA	NA	NA			
Indonesia	136.0	48,820	360	75	60	15	18	41	48	137			
Laos	3.3	300	90	NA	NA	NA	NA	NA	NA	NA			
Papua New Guinea	2.9	1,640	560	89	84	3	13	41	48	106			
Philippines	45.6	23,250	510	61	51	30	34	51	60	80			
Thailand	44.3	21,790	490	84	77	12	14	51	61	89			
Western Samoa	.2	NA	NA	NA	NA	NA	NA	NA	NA	NA			
Middle income--													
Korea, Republic of	36.6	42,460	1,160	66	45	28	49	54	63	47			
Sudano-Sahelian Africa:													
Low income--													
Cape Verde	.3	50	160	NA	NA	NA	NA	NA	50	105			
Central African Republic	1.9	480	250	94	89	23	36	37	46	190			
Chad	4.3	620	140	94	87	7	14	35	43	160			
Ethiopia	31.0	3,640	120	88	81	6	12	36	39	162			
Mali	6.3	760	120	94	89	11	17	37	42	188			
Mauritania	1.5	420	270	91	84	3	23	37	42	187			
Niger	5.0	1,110	220	95	92	6	10	37	42	200			
Somalia	3.7	470	130	88	83	17	27	36	43	177			
Sudan	17.4	5,540	320	86	79	10	20	39	46	141			
Upper Volta	5.5	870	160	92	84	5	8	37	42	182			
West and Central Africa:													
Low income--													
Benin	3.3	770	230	54	47	10	23	37	46	149			

See footnotes at end of table.

Appendix table 5---Demographic and socio-economic indicators of low- and middle-income countries 1/--Continued

Region and country	1978		Agricultural labor force		Urban population		Life expectancy		1975 infant mortality
	Population	GNP	Per capita GNP	1960	1977	1960	1975	1960	1977
	Million	Million dollars	Dollars	Percent		Years		Number/ thousand	
West and Central Africa--Continued									
Low income--Continued									
Cameroon	8.1	3,700	460	79	74	14	27	37	46
Congo, People's Republic	1.5	780	540	52	36	33	36	37	46
Gambia	.6	130	230	NA	NA	NA	NA	NA	41
Ghana	11.0	4,250	390	64	54	23	32	40	48
Guinea	5.1	1,070	210	88	83	10	16	35	44
Guinea-Bissau	.8	160	- 200	NA	NA	NA	NA	NA	NA
Guinea, Equatorial	.4	NA	NA	NA	NA	NA	NA	NA	NA
Liberia	1.7	820	460	81	73	21	30	40	48
Nigeria	81.0	45,720	560	71	56	13	18	39	48
Sao Tome and Principe	.9	40	490	NA	NA	NA	NA	NA	NA
Senegal	5.4	1,830	340	84	77	23	24	37	42
Sierra Leone	3.3	690	210	78	68	13	21	37	46
Togo	2.4	770	320	89	83	5	9	42	51
Zaire	26.4	5,510	210	83	76	22	35	40	46
Middle income--									
Ivory Coast	7.8	6,580	840	89	82	19	33	37	46
East Africa:									
Low income--									
Botswana	.7	460	620	NA	NA	NA	NA	NA	56
Burundi	4.3	610	140	90	85	2	2	37	45
Comoros	.4	70	180	NA	NA	NA	NA	NA	46
Kenya	15.2	4,830	320	86	79	7	12	47	53
Lesotho	1.3	360	280	93	88	2	4	42	50
Madagascar	8.3	2,050	250	93	84	11	16	37	46
Malawi	5.8	1,010	180	92	87	4	20	37	46
Mozambique	9.9	1,360	140	81	68	4	7	37	46
Rwanda	4.5	830	180	95	92	2	4	37	46
Swaziland	.5	310	590	NA	NA	NA	NA	NA	44
Tanzania	16.9	3,880	230	89	84	5	9	42	51
Uganda	12.4	NA	160	89	84	5	10	44	53
Zambia	5.3	2,530	480	79	69	23	34	40	48
Zimbabwe	6.9	3,320	480	69	61	13	20	45	52
Middle income--									
Mauritius	1.0	760	830	NA	NA	NA	NA	NA	63
									40

See footnotes at end of table.

Appendix table 5--Demographic and socio-economic indicators of low- and middle-income countries 1/--Continued

Region and country	1978										1975									
	Population					Per capita					Agricultural					Urban				
	: GNP					: GNP					: labor force					: population				
	Million	Million	Dollars	Percent	Years	Million	Dollars	Percent	Years	Number/ thousand	1960	1977	1960	1975	1960	1977	1960	1975	1960	1977
North Africa, Middle East and Europe:																				
Low income--																				
Egypt	38.7	15,520	400	51	38	58	51	38	44	46	54	54	46	54	54	54	54	54	54	108
Lebanon	3.0	NA	NA	13	44	38	13	44	70	58	65	65	58	65	65	65	65	65	65	59
Yemen, Arab Republic	5.1	2,960	580	76	3	83	76	3	8	36	47	47	36	47	47	47	47	47	47	155
Yemen, People's Republic	1.7	740	420	62	38	70	62	38	34	36	47	47	36	47	47	47	47	47	47	155
Middle income--																				
Iran	35.8	NA	NA	41	34	54	41	34	45	46	52	52	46	52	52	52	52	52	52	104
Israel	3.7	15,300	4,120	8	77	14	8	77	87	69	72	72	69	72	72	72	72	72	72	22
Jordan	3.0	2,270	1,050	28	43	44	28	43	53	47	56	56	47	56	56	56	56	56	56	97
Morocco	18.9	12,610	670	53	29	62	53	29	37	47	55	55	37	47	55	55	55	55	55	133
Portugal	9.7	19,540	2,020	27	23	44	27	23	28	62	69	69	28	62	69	69	69	69	69	39
Syria	8.1	7,490	930	49	37	54	49	37	47	48	57	57	47	48	57	57	57	57	57	114
Tunisia	6.1	5,760	950	43	36	56	43	36	48	57	57	57	48	57	57	57	57	57	57	135
Turkey	42.9	51,750	1,210	62	30	78	62	30	43	51	61	61	43	51	61	61	61	61	61	119
Central America:																				
Low income--																				
El Salvador	4.4	2,810	600	47	38	60	47	38	40	50	63	63	40	50	63	63	63	63	63	55
Grenada	.1	60	530	NA	NA	NA	NA	NA	NA	NA	24	24	NA	NA	24	24	24	24	24	24
Haiti	4.8	1,240	260	70	16	80	70	16	22	42	51	51	22	42	51	51	51	51	51	115
Honduras	3.4	1,650	480	63	23	70	63	23	32	46	57	57	32	46	57	57	57	57	57	103
Middle income--																				
Dominican Republic	5.1	4,680	910	58	30	66	58	30	46	51	60	60	46	51	60	60	60	60	60	96
Guatemala	6.6	6,040	910	57	33	67	57	33	37	47	57	57	37	47	57	57	57	57	57	75
Jamaica	2.1	1,110	2,350	24	34	39	24	34	46	64	70	70	46	64	70	70	70	70	70	20
Mexico	65.5	84,150	1,290	34	51	55	34	51	63	58	65	65	63	58	65	65	65	65	65	66
Nicaragua	2.5	2,100	840	44	41	62	44	41	50	47	55	55	47	55	55	55	55	55	55	110
Trinidad and Tobago	1.1	3,310	2,910	13	22	22	13	22	21	63	70	70	21	63	70	70	70	70	70	27
South America:																				
Low income--																				
Bolivia	5.3	2,690	510	51	24	61	51	24	30	43	52	52	30	43	52	52	52	52	52	157
Guyana	.8	550	460	NA	NA	NA	NA	NA	NA	NA	68	68	NA	NA	68	68	68	68	68	50
Middle income--																				
Argentina	26.4	50,250	1,910	14	74	20	14	74	81	65	71	71	81	65	71	71	71	71	71	59
Brazil	119.4	187,190	1,570	42	46	52	42	46	61	57	62	62	61	57	62	62	62	62	62	109

See footnotes at end of table.

Appendix table 5--Demographic and socio-economic indicators of low- and middle-income countries 1/--Continued

Region and country	1978		Agricultural		Urban		Life		1975 infant mortality		
	Population	GNP	Per capita GNP	labor force	population		expectancy				
					1960	1977	1960	1975		1960	1977
Million	Million dollars	Dollars	Percent		Years		Number/ thousand				
South America--Continued											
Middle income--											
Chile	10.7	15,180	1,410	30	21	68	79	57	67		
Colombia	25.1	21,790	870	51	31	48	66	53	62		
Ecuador	7.6	6,890	910	57	47	34	43	51	60		
Paraguay	2.9	2,450	850	56	51	36	38	56	63		
Peru	14.0	12,440	740	53	40	46	63	48	56		
Venezuela	14.0	40,710	2,910	35	21	67	80	59	66		

NA = Not available.

1/ Explanation of terms is given in the glossary.

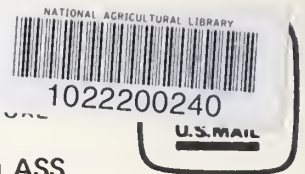
2/ Excluding Cambodia and Vietnam.

Sources: 1979 World Bank Atlas; World Development Indicators, 1979; The United States and World Development Agenda, 1979, Overseas Development Council.



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